GBJPA
Groundwater Banking Joint Powers Authority

AGENDA
GROUNDWATER BANKING JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

September 19, 2022

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Ralph M. Brown Act. All parties/public may attend the meeting via teleconferencing and offer public comments by phone, using the call-in information below or digital internet access.

Participation by members of the Board of Directors will be from remote locations. Public access and participation will only be available telephonically/electronically.

To virtually attend the meeting and to be able to view any presentations or additional materials provided at the meeting, please join online using the link and information below:

Via Web: https://zoom.us/j/83815086560
Meeting Number (Access Code): 838 1508 6560
Meeting Password: 982590
Telephone Dial In: (669) 900-6833

As courtesy to the other participants, please mute your phone when you are not speaking.

PLEASE NOTE: Participants joining the meeting will be placed into the lobby when the Board enters closed session. Participants who remain in the “lobby” will automatically be returned to the open session of the Board once the closed session has concluded. Participants who join the meeting while the Board is in closed session will be placed in the waiting room. When the Board has returned to open session, the participants will be automatically added to the meeting.

CALL TO ORDER 1:00 p.m.

ROLL CALL Directors Pierucci, Selvidge, Reinhart, Swan

- Consider adoption of Resolution No. 2022-04– Authorizing AB 361 Teleconference Meeting

PUBLIC COMMENT
NOTICE

If you wish to address the Board of Directors on any item, please submit a request to speak via the “chat” feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing mmisuraca@rrbwsd.com before 5:00 p.m. on September 16, 2022.

ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE

1. COMMUNICATIONS TO THE BOARD

a) Written:
b) Oral:

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

.

3. CONSENT ITEMS

a) Regular Meeting Minutes May 2, 2022

4. JPA ADMINISTRATIVE AND FINANCIAL REPORT

a) Consideration and Possible Action on Ratification of Fiscal Year End June 30, 2022 Audit Proposal
b) Budget to Actual Report for Fiscal Year Ending June 30, 2022

5. KERN FAN GROUNDWATER STORAGE PROJECT

a) Engineering (Dan)
   i. Design Update
   ii. 2023-2025 Project Schedule
b) Consideration and Possible Action of Resolution No. 2022-05 USBR Grant Funding Opportunity for Groundwater Storage Projects (Dan)
c) Kern Fan Groundwater Storage Project Budget Forecast and Grant Funding Update (Fiona)
d) State Agreements Update (Fiona)

6. GENERAL MANAGER'S REPORT

a) Nexamp Property Lease Inquiry (Dan)

7. OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, and make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments.

8. CLOSED SESSION

a) CLOSED SESSION CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Pursuant to Government Code Section 54956.8:

Property: Parcels 103-110-02; 103-110-04; 103-110-09; 103-120-14; 103-120-15; 103-120-16; 103-120-17; 103-130-01; 103-130-03; 103-130-05; 103-130-07; 103-140-02; 103-140-05; 103-140-06; 103-140-12; 103-140-15; 103-140-16; 103-140-17; 103-140-18; 103-140-19; 103-180-01; 103-180-05; 103-180-07; 103-190-13; 103-190-14; 103-200-23; 103-200-25; 103-200-26; 103-200-27; 103-200-28; 103-200-29; 103-270-07; 104-270-01,06; 104-260-09,15; 104-280-08,29,30,31,32,33, 34,35; 104-260-08;104-270-28;104-291-07;104-240-31,22,30; 104-250-20,21; 104-280-01,02,07,19,24,25,27; 104-240-18;104-292-09; 103-170-09,12,14,15 25-32; 160-010-66, 71; 104-280-18 and possible others all in County of Kern

Agency negotiators: Dan Bartel

Negotiating parties: Various parties and Groundwater Banking Joint Powers Authority

Under negotiation: Price and Terms of Payment

b) CLOSED SESSION – Conference with Legal Counsel - Pending Litigation Government Code Section 54956.9(d)(1)
   a. City of Bakersfield .v. GBJPA et al. Fresno County Superior Court Case No. 21CECG03341
   b. KCWA v. GBJPA et al. Fresno County Superior Court Case No. 21CECG0334

9. OPEN SESSION

General Counsel may announce any reportable actions taken during Closed Session.

10. ADJOURN

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Board in connection with a matter subject to discussion or consideration at an open meeting of the Board are available for public inspection by contacting Megan Misuraca at mmisuraca@rrbwsd.com. If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available to the public at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically during the meeting.

Accommodations: Upon request, the Authority will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at the meeting. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to mmisuraca@rrbwsd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

DECLARATION OF POSTING: I, Megan Misuraca, declare under penalty of perjury, that I am employed by the Rosedale-Rio Bravo Water Storage District and I posted the foregoing Agenda at the District Office on or before September 15, 2022. I, Leslie Bonkowski, declare under penalty of perjury, that I am employed by the Irvine Ranch Water District and I posted the foregoing Agenda at the District Office on or before September 15, 2022.

RESOLUTION NO. 2022-04

A RESOLUTION OF THE GROUNDWATER BANKING JOINT POWERS AUTHORITY ("AUTHORITY") TO IMPLEMENT TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY BY EXECUTIVE ORDER, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR A THIRTY (30) DAY PERIOD PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, THE GROUNDWATER BANKING JOINT POWERS AUTHORITY is committed to preserving and ensuring public access and participation in meetings of the Authority; and

WHEREAS, all meetings of the Authority legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Authority's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361); and

WHEREAS, AB 361 amended the Brown Act so that a local agency may use teleconferencing without complying with the regular teleconferencing requirements of the Act, where the legislative body holds a meeting during a proclaimed state of emergency and makes certain findings; and

WHEREAS, Government Code section 54953 requires that the legislative body make additional findings every 30 days in order to continue such teleconferencing.

NOW THEREFORE, the Authority hereby finds, determines, declares, orders, and resolves as follows:

1. That the foregoing recitals are true and correct and incorporates them by this reference.

2. The Board of Directors of the Authority finds, by a majority vote, the following:

    a. That there exists a proclaimed state of emergency; and

    b. State or local officials have imposed or recommended measures to promote social distancing.

3. The Authority is authorized to take all steps and perform all actions necessary to execute and implement this Resolution in compliance with Government Code section 54953.

4. That this Resolution shall take effect September 19, 2022 and shall remain in effect for thirty (30) days thereafter (until October 19, 2022), provided the conditions set forth in Section 2 remain.

PASSED AND ADOPTED by the Authority September 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Chair

ATTEST:

____
Secretary

BOARD OF DIRECTORS
GROUNDWATER BANKING JOINT POWERS AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING

May 02, 2022
2:00 P.M.

Note: This meeting was conducted by teleconference pursuant to and in conformance with Executive Order N-29-20 relating to public meetings during the State of Emergency that was declared as a result of COVID-19

DIRECTORS AND ALTERNATES PRESENT

Roy Pierucci
Peer Swan (2:09-2:53)
Doug Reinhart
Jason Selvidge

DIRECTORS ABSENT

OTHERS PRESENT
Doug Gosling- JPA Legal Counsel
Dan Bartel- RRBWSD
Megan Misuraca- RRBWSD
Cheryl Clary- IRWD
Eileen Lin- IRWD
Fiona Sanchez- IRWD
Robert Jacobson- IRWD
Paul Weghorst- IRWD
Dan Raytis- RRBWSD
Trent Taylor- RRBWSD
Paul Cook- IRWD
Sophia Phuong- IRWD
Curtis Skaggs- Dee Jaspar & Associates

CALL TO ORDER
President Pierucci called the meeting to order at approximately 2:00 PM.

Mr. Gosling reviewed Resolution 2022-02- Authorizing AB 361 Teleconference Meeting with the Board. A motion was made by Director Reinhart with a second by Director Selvidge adopting Resolution 2022-02. A roll call vote was taken and the motion unanimously passed.

PUBLIC COMMENT NOTICE
There were no public comments.

1. **COMMUNICATIONS TO THE BOARD**
   a). Written: None
   b). Oral: None.

2. **ITEMS RECEIVEDTOO LATE TO BE AGENDIZED**
   None.

3. **CONSENT ITEMS**
   a) Regular Meeting Minutes February 7, 2022
   A motion was made by Director Selvidge with a second by Director Reinhart to adopt the consent items. A roll call vote was taken and the motion unanimously passed.

4. **JPA ADMINISTRATIVE AND FINANCIAL REPORT**
   a) Third Quarter FYE June 30, 2022 Actual to Budget - Full year Forecast and Cash Call Update- Ms. Clary briefed the Board on the current actual to budget results for the FYE June 30, 2022 updated with amounts through March 31, 2022. Ms. Clary noted there is no need for a cash call at this time.
   b) Consideration of FYE June 30, 2023 Budget- Ms. Clary presented the draft FYE June 30, 2023 budget with the Board totaling $ 5,555,100. A motion was made by Director Swan with a second by Director Selvidge to approve and adopt the FYE June 30, 2023 budget as presented. A roll call vote was taken and the motion unanimously passed.

5. **KERN FAN GROUNDWATER STORAGE PROJECT**
   a) Consideration of Engineering Services Agreements- Mr. Skaggs reviewed the proposals for engineering services on Task No. 1 from MCE/AECOM, GEI/HDR/Zeider's Consulting, Stantec/Provost & Pritchard/Dahl, and Dee Jaspar and Associates. A motion was made by Director Swan with a second by Director Selvidge to authorize staff to enter into professional service agreements for the Task No. 1 services excluding phase 2 work by Stantec/Provost and Pritchard/Dahl for a total amount not to exceed $617,883. A roll call vote was taken and the motion unanimously passed.
   b) DWR Update- Ms. Sanchez reported on the latest efforts for obtaining the agreements with the Department of Water Resources.
   c) Water Commission Update- Ms. Sanchez briefed the Board on the finalization of the increased funding to $89.1 million for the Kern Fan Groundwater Storage Project and noted a coalition letter being prepared for inflation funding. Staff was directed to execute the inflation funding letter on behalf of the Groundwater Banking Joint Powers Authority.
   d) Federal Funding Update- Ms. Sanchez reported that Irvine staff are actively participating in lobbying discussions for possible federal funding opportunities. Ms. Sanchez reported on the possible earmark appropriation of funds that could be made available to the Kern Fan Groundwater Storage Project.
   e) Consideration of Resolution No. 2022-03 WaterSMART Grant Application- Mr. Bartel reported that staff recommends moving forward with the application of the WaterSMART Grant for funding on the Kern Fan Groundwater Storage Project. A motion was made by Director Selvidge with a second by Director Swan to adopt Resolution 2022-03 supporting the application of the project for the WaterSMART Drought

Response Program and direct the General Manager authority to execute agreements as required with the United State Bureau of Reclamation if awarded. A roll call vote was taken and motion unanimously passed.

6. **GENERAL MANAGER'S REPORT**
No report.

7. **OTHER BUSINESS**
None.

8. **CLOSED SESSION**
At 2:42 p.m. President Pierucci announced the Board would enter closed session. The Board reconvened to open session at 2:52 p.m.

9. **OPEN SESSION**
Mr. Gosling announced there were no reportable actions taken during closed session.

10. **ADJOURN**
Director Pierucci adjourned the meeting at 2:53 p.m.

ATTEST:

____
Authority Secretary

September 19,2022
Prepared by: Sophia Phuong
Reviewed by: Cheryl Clary
Agenda Item: 4a

Ratification of Independent Audit Firm

DISCUSSION:

Section 9b of the Bylaws of Groundwater Banking Joint Powers Authority (GBJPA) states that the Board of Directors shall select an Auditor in the manner provided by law. California government code Section 6505 requires Joint Power Authorities to have an annual independent audit and have the audited financial statements available on their Commission website.

Last Fiscal Year (FY) 2020-21, Davis Farr, LLP conducted the audit for the GBJPA. Their audit proposal for this FY 2021-22 is attached as “Exhibit A”. The proposal is for a fixed price fee of $5,000 which is consistent with the previous year. Staff is familiar with David Farr, LLP and recommends them due to their professionalism, partner and staff competency.

RECOMMENDATION:

That the Board confirm the selection of Davis Farr, LLP to perform the audit for the fiscal year ended June 30, 2022.

LIST OF EXHIBITS:

Exhibit “A” – Davis Farr, LLP audit proposal

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

March 4, 2022

Groundwater Banking Joint Powers Authority
Attn: Cheryl Clary, Treasurer
15600 Sand Canyon Ave
Irvine, CA, 92618

Dear Ms. Clary:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide **Groundwater Banking Joint Powers Authority** (the "Entity").

You have requested that we audit the business-type activities as of June 30, 2022, and for the year then ended and the related notes, which collectively comprise the Entity's basic financial statements as listed in the table of contents.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and, if applicable, in accordance with Government Auditing Standards, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information ("RSI") such as management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis

<u>Auditor Responsibilities</u>

We will conduct our audit in accordance with GAAS and in accordance with Government Auditing Standards. As part of an audit in accordance with GAAS and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.[2] However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Entity's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;

b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
c. To provide us with:
    i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
    ii. Additional information that we may request from management for the purpose of the audit;
    iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
    v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform,

At the end of the year, we agree to perform the following:

- *Propose adjusting or correcting journal entries detected during the audit, if applicable, to be reviewed and approved by the Entity's management.*

We will not assume management responsibilities on behalf of the Entity. However, we will provide advice and recommendations to assist management of the Entity in performing its responsibilities.

The Entity's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards

- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise the Entity with regard to tax positions taken in the preparation of the tax return, but the Entity must make all decisions with regard to those matters.

Reporting

We will issue a written report upon completion of our audit of the Entity's basic financial statements. Our report will be addressed to [*the Board of Directors*] of the Entity. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Engagement Fees

Our fixed fee for the services previously outlined will be $ 5,000.

Additionally, our fees are dependent on the availability, quality, and completeness of the Entity's records and, where applicable, upon the Entity's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Entity employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable.

Other Engagement Matters
During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

The undersigned is the engagement partner responsible for supervising the engagement and signing the report.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

At the conclusion of our audit engagement, we will communicate to *the Board of Directors* the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;

- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Davis Farr LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory agencies pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Davis Farr LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulatory agencies. The regulatory agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement.

Very truly yours,

Jonathan Foster, Partner
Davis Farr LLP

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Groundwater Banking Joint Powers Authority

By______________________________
Treasurer

Date______________________________

Report on the Firm's System of Quality Control

Davis Farr LLP
Irvine, California;
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and examination of a service organization (SOC 1, Type 2 Report).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs ■ Advisors
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Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Davis Farr LLP has received a peer review rating of *pass*.

GYL LLP

Ontario, California
September 23, 2019

September 19,2022
Prepared by: Vladimir Li/Eileen Lin
Reviewed by: Cheryl Clary
Agenda Item: 4b

FY 2021-22 Actual to Budget and Forecast Results

DISCUSSION:

The quarterly unaudited actual to budget and forecast results for the fiscal year ended June 30, 2022 are attached as Exhibit "A". The report separates capital and operating expenditures.

The fiscal year total expenditures were $9.4 million compared to a budget of $39.7 million. Actual expenditures were $30.3 million or 76% under budget. This is primarily due to lower expenditures than budgeted for property and habitat credit acquisitions and delayed expenses in engineering design consulting and construction services. Exhibit "A" provides additional comments.

No cash call is required at this time.

RECOMMENDATION:

Receive and File.

LIST OF EXHIBITS:

Exhibit "A" – FY 2021-22 Actual to Budget and Forecast Report (Unaudited)

Exhibit A
Groundwater Banking Joint Powers Authority
Unaudited Actual to Budget and Forecast Report
Fiscal Year 2021-22

Task / Account	Task / Account Name	Unaudited Actual FY2021-22	Budget FY2021-22	Budget (Over)/Under	Forecast FY2021-22	Forecast to Actual (Over)/Under	FY2021-22 Budget Variance Comment
Kern Fan Groundwater Capital Project							
1.0	Engineering - Planning and Design Staff	$ 27,937	$ 109,054	$ 81,117	$ 40,000	$ 12,063	Open position at IRWD - hours lower than projected
1.1	Grant Administration and Reporting	5,581	4,712	(869)	5,000	(581)	
1.15	CWC and USBR Feasibility Studies	84,244	34,370	(49,874)	82,000	(2,244)	New modeling and staff time required for CWC study
1.16	JPA Administration	74,708	109,354	34,646	70,000	(4,708)	Committee meetings eliminated, reduces staff time
1.4	Supplemental Environmental Impact Report	175	89,948	89,773	200	25	Additional CEQA on hold pending resolution of litigation
1.5	Agreements with State Agencies	5,040	52,219	47,179	4,000	(1,040)	Agreements pending CEQA and additional DWR studies
1.8	Property Pre-Acquisition Work and Geophysical Study (1)	40,202	87,572	47,370	40,000	(202)	Additional land acquisition on hold
3.0	Engineering Design - Outside	42,818	3,793,310	3,750,492	60,000	17,182	Award of design contract delayed till May 2022
4.0	Engineering CA&I - Outside	-	269,500	269,500	-	-	Delay in construction
5.0	Construction	-	8,704,949	8,704,949	-	-	Delay in construction
5.1	Land	8,996,494	23,065,000	14,068,506	9,002,300	5,806	Additional land acquisition on hold
6.0	Legal JPA	50,532	196,772	146,240	55,000	4,468	Expenditures delayed and contingent upon litigation
900.0	Preliminary Design Report and Feasibility Report	106,312	-	(106,312)	105,000	(1,312)	CWC Feasibility report required significant additional modeling and consultant assistance. Also DJA costs for PDR proposal process.
906.0	Development of Agreement with FWS	-	10,000	10,000	-	-	Delayed pending CEQA and FWS template agreement
908.0	Development of Agreement with DWR	1,906	20,000	18,094	5,000	3,094	Delayed pending CEQA
916.0	Habitat Credit Purchase	-	2,400,000	2,400,000	-	-	Delayed pending final alignment
918.0	Environmental	6,038	-	(6,038)	6,000	(38)	Delayed - contingent upon litigation
922.0	Permitting	-	195,000	195,000	-	-	Delayed - contingent upon litigation, land acquisition and final alignment
928.0	PG&E Service	-	306,250	306,250	-	-	Deferred
930.0	Bid Phase	-	75,000	75,000	-	-	Deferred
	Capital Project Total	9,441,987	39,523,010	30,081,023	9,474,500	32,513	
Operating Income							
460021	GBJPA Operating Contribution from Member Agency	(16,596)	-	16,596	-	16,596	Cash call to fund operating expenses, net of lease revenue
460022	Lease Revenue	(33,248)	-	33,248	(33,200)	48	Bolthouse
	Operating Income Total	(49,844)		49,844	(33,200)	16,644	
Operating Expense							
699115	Website Maintenance	1,150	-	(1,150)	1,200	50	New website created for the project
699134	Administration/Management	38,820	122,000	83,180	43,000	4,180	Lower than anticipated costs due to deferrals
699135	Audit	5,000	5,000	-	5,000	-	
699136	Bank Charges	1,582	7,000	5,418	1,500	(82)	
699137	Insurance	2,781	1,350	(1,431)	2,300	(481)	
699139	Membership	511	-	(511)	500	(11)	
	Operating Expense Total	49,844	135,350	85,506	53,500	3,656	
Total		**$ 9,441,987**	**$ 39,658,360**	**$ 30,216,373**	**$ 9,494,800**	**$ 52,813**	

Note:
(1) Actual amounts included labor and consultants charges.

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CONSULTING CIVIL ENGINEERS
2730 UNICORN ROAD, BLDG A
BAKERSFIELD, CA 93308
PHONE (661) 393-4796
FAX (661) 393-4799

GBJPA
Groundwater Banking Joint Powers Authority

KERN FAN GROUNDWATER STORAGE PROJECT

PREPARED FOR: Groundwater Banking Joint Powers Authority (GBJPA) File

PREPARED BY: Curtis Skaggs, P.E.

DATE: August 25, 2022

SUBJECT: ***Kern Fan Groundwater Storage Project – Task No. 1*** **Engineering Professional Services**

I. DP#1 "Recharge Basins & Infrastructure" – MCE/AECOM

Preliminary 30% level drawings for the West Enos property were prepared and reviewed. Discussion was held in regards to basin layout and orientation, well locations, recharge rates, the conveyance of water from the Slough to the West Enos property, the recovery pipeline, interbasin structures, levee embankment design, and hydraulics. MCE/AECOM will utilize this feedback to begin the preparation of 60% level drawings.

The geotechnical investigation work was postponed due to conflicts with the property owner's harvest schedule. The carrots on the West Enos property were harvested around the end of July. SEI mobilized the West Enos property around August 5th and performed the geotechnical investigation. The laboratory testing will be completed this week. A soils report is being prepared and a draft is anticipated in early September. The Stockdale North property is expected to be accessible for geotechnical work sometime in September.

Upon completion of the geotechnical work, MCE will finalize the 30% level check prints and provide those for JPA approval. MCE will then commence work on the 60% level drawings including recharge basin elevations, levee heights, subgrade preparation details, borrow areas, compaction requirements, and estimated infiltration rates. The 60% level drawings for West Enos will then be submitted for review and comment.

Deliverables:

- 30% Level Plans
- Geotechnical Report
- 60% Level Plans

II. DP#2 "Recovery Wells" – Zeiders

A Professional Services Agreement has been prepared, reviewed, and executed on August 16th with Zeiders Consulting. The scope of work is for the preparation of plans and specifications for the drilling and equipping of four (4) recovery wells and for the evaluation and potential equipping of two (2) existing wells. The budget amount for this work is $50,110.00.

Deliverables:

- 60% Level Plans and Specifications

III. DP#3 (Aqueduct Turnout) and DP#4 (Conveyance Facilities) – Stantec/Dahl/P&P

Stantec is beginning work on evaluating a joint-use project with the Kern County Water Agency (KCWA) that would endeavor to solve the capacity issues in Pool 1 of the Cross Valley Canal (CVC) while providing up to approximately 450 cfs for the Kern Fan Groundwater Storage Project.

Stantec has prepared and submitted an encroachment permit application for project surveying within the Cross Valley Canal right-of-way. Upon approval, Provost & Pritchard will begin field surveying for topographic information along the Cross Valley Canal and turnout locations along the Aqueduct. Stantec is coordinating with the Southern Field Division to gain access to the California Aqueduct for surveying purposes.

Dahl and Stantec are developing an initial draft of the presentation for KCWA including preliminary hydraulic analyses for capacity enhancements to the CVC. The preliminary concept will utilize both the existing CVC turnouts, demolish the existing turnout pipelines, and replace them with an 18' x18' box culvert that siphons under the Outlet Canal and then diverges into the existing CVC and a parallel canal. The preliminary cross-section of the parallel canal is a 18-ft wide bottom and a 12.5-ft depth with the CVC carrying approximately 700 to 900 cfs and the new canal carrying approximately 1,000 to 1,200 cfs. This would allow for the full capacity of the CVC at the lowest normal operating level of the Aqueduct.

Stantec will prepare a draft presentation and report for GBJPA review in September 2022. A meeting will be held to review the contents of the report and presentation and obtain feedback and comments. Stantec will then work to finalize the analysis and presentation in preparation for a meeting with KCWA.

Deliverables:

- Technical Memorandum for Joint-Use Alignment
- Presentation and report for meeting with KCWA

IV. Project Management – Dee Jaspar & Associates, Inc.

Dee Jaspar & Associates, Inc. (DJA) is working with each of the engineering teams associated with the Design Packages referenced above and managing the project design.

DJA is also working to establish project survey control. Maps are currently being reviewed and put together to determine nearby monumentation. DJA has completed surveying of CVC benchmarks and County monuments and is currently coordinating access to the California Aqueduct. DJA will then begin preparing a map illustrating the horizontal and vertical survey control for the project.

DJA completed the preparation of project cost estimates for the Task No. 1 scope of work as part of the WaterSMART Grant application process.

GROUNDWATER BANK JOINT POWERS AUTHORITY

PLANS FOR CONSTRUCTION OF THE

WEST ENOS RECHARGE BASIN FACILITIES

STATE OF CALIFORNIA

BENCH MARK

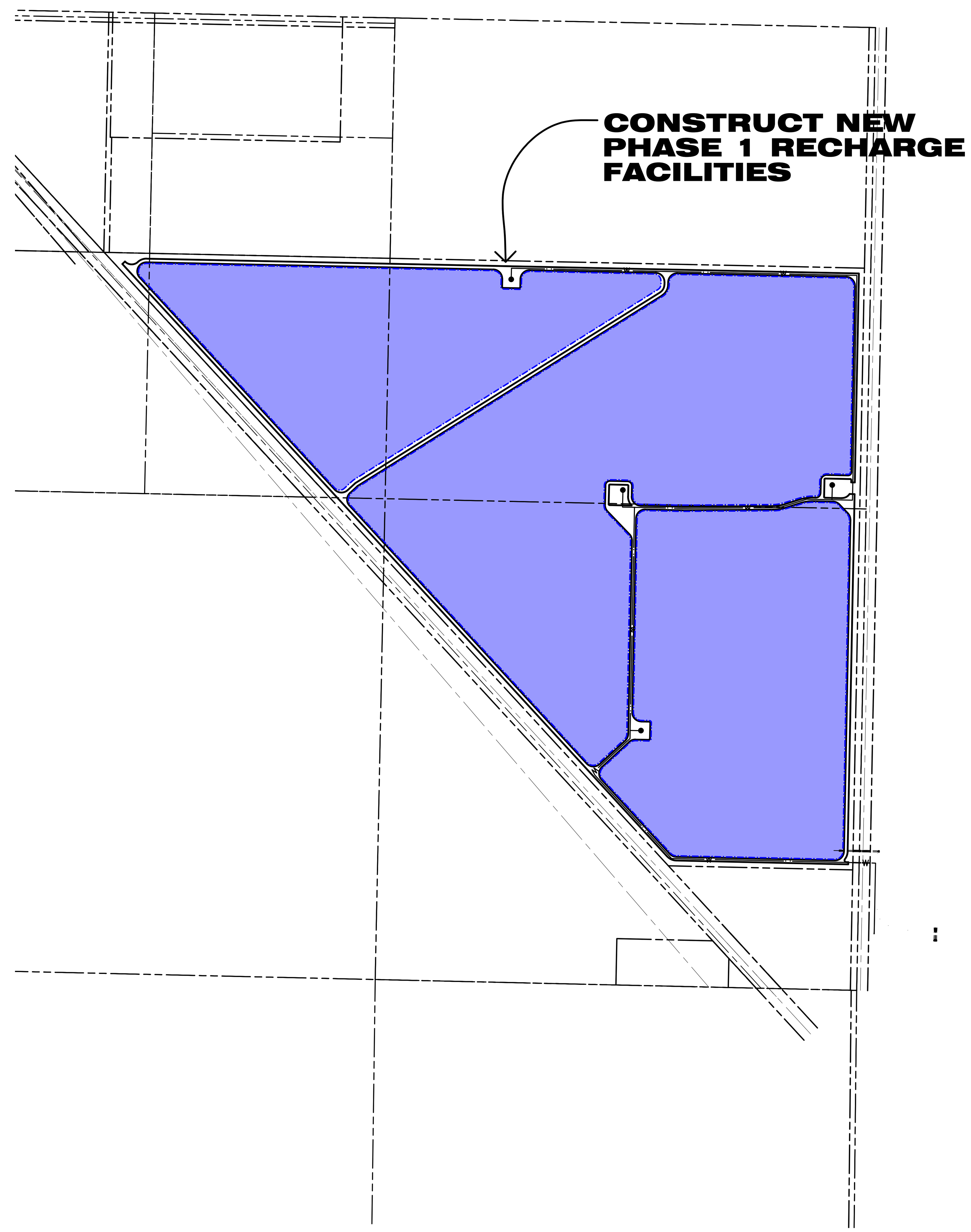
CHISELED "O" ON NORTHEAST CURB RETURN AT STOCKDALE HIGHWAY AND NORD ROAD PER KCS FIELD BOOK 1170, PG 25.
ELEVATION=345.90 NAVD88

BEARING BASIS

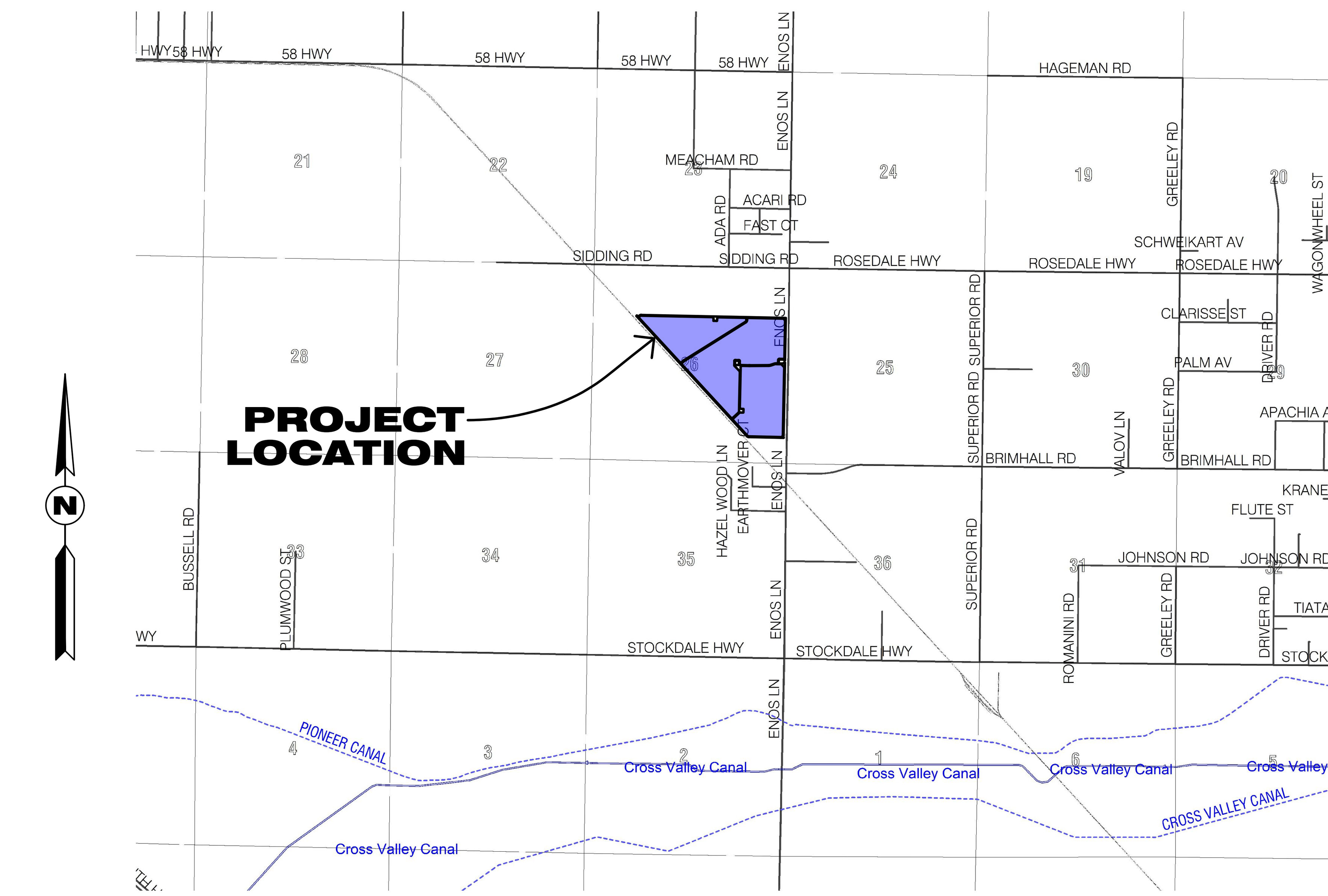
THE BASIS OF BEARING IS THE CALIFORNIA COORDINATE SYSTEM OF 1983 (NAD83), ZONE 5.

CONSTRUCTION NOTES:

1. THE CONTRACTOR SHALL CONTACT THE U.S.A. LOCATOR SERVICE AT 1-800-642-2444 48 HOURS PRIOR TO ANY EXCAVATION AND SHALL POTHOLE UTILITIES TO VERIFY LOCATION AND DEPTH PRIOR TO TRENCHING. THE CONTRACTOR SHALL NOTIFY THE ENGINEER OF ANY CONFLICTS WITH THE PLANS PRIOR TO THE BEGINNING OF CONSTRUCTION.
2. THE CONTRACTOR MUST POSSESS A STATE OF CALIFORNIA CLASS "A" CONTRACTORS LICENSE TO PERFORM THE WORK CONTAINED WITHIN THESE PLANS AND SPECIFICATIONS.
3. HAZARDOUS WASTE IN EXCAVATION. SHALL COMPLY WITH SECTION 4.M "HAZARDOUS CONDITIONS" IN THE CONTRACT GENERAL CONDITIONS.



KEY MAP
SCALE: 1"=800'



LOCATION MAP

LEGEND

CENTER LINE	NEW LOCATION OF SALVAGED SIGN
RIGHT-OF-WAY OR PROPERTY LINE	RIPRAP/ROCK SLOPE PROTECTION
OVERHEAD LINES W/POWER POLE	EDGE OF PAVEMENT
EXISTING GAS LINE	EXISTING GATE VALVE
EXISTING UTILITIES	EXISTING AIR VENT
EXISTING TELEPHONE LINE	EXISTING TELE. PEDESTAL
EXISTING EASEMENT	EXISTING SIGN
EXISTING FENCE	EXISTING MONUMENT
EXISTING CONTOURS	FINISHED GRADE
EMBANKMENT SIDESLOPE (TOP OF SLOPE / TOE OF SLOPE)	FINISHED GRADE SLOPE

SECTION DESIGNATION: SECTION LETTER — SHEET WHERE SECTION IS SHOWN

DETAIL DESIGNATION: DETAIL LETTER — SHEET WHERE DETAIL IS SHOWN

ABBREVATIONS

PI	POINT OF INTERSECTION	EVC	END VERTICAL CURVE
R/W	RIGHT OF WAY	BVC	BEGIN VERTICAL CURVE
EP	EDGE OF PAVEMENT	TAN	TANGENT LINE
INV	INVERT	STA	STATION
C/L	CENTERLINE	O/S	OFFSET
ELEV	ELEVATION	EW	EACH WAY
FG	FINISHED GRADE	EF	EACH FACE
AC	ASPHALT CONCRETE	NF	NEAR FACE
AGG	AGGREGATE	FF	FAR FACE
O.G.	ORIGINAL GROUND	BF	BOTTOM FACE
RRBWSD	ROSEDALE RIO-BRAVO WATER STORAGE DISTRICT	TF	TOP FACE
PIVC	POINT OF INTERSECTION, VERTICAL CURVE	LF	LINEAR FEET
POVC	POINT ON VERTICAL CURVE	MON	MONUMENT
		LCW	LONG CREST WEIR

INDEX OF DRAWINGS

Rev. No.	Date	Revision Description	Approved By

REVISED 30% PLAN SUBMITTAL
9-08-22

SUBMITTED BY:

RICHARD D. MEYER, R.C.E. NO. 28104 DATE
File Name: GBJ22001TS.DWG

RECORD DRAWING CERTIFICATION

APPROVED BY:

SIGNATORY DATE
TITLE
GROUNDWATER BANK JOINT POWERS AUTHORITY

MCE Meyer Civil Engineering, Inc.
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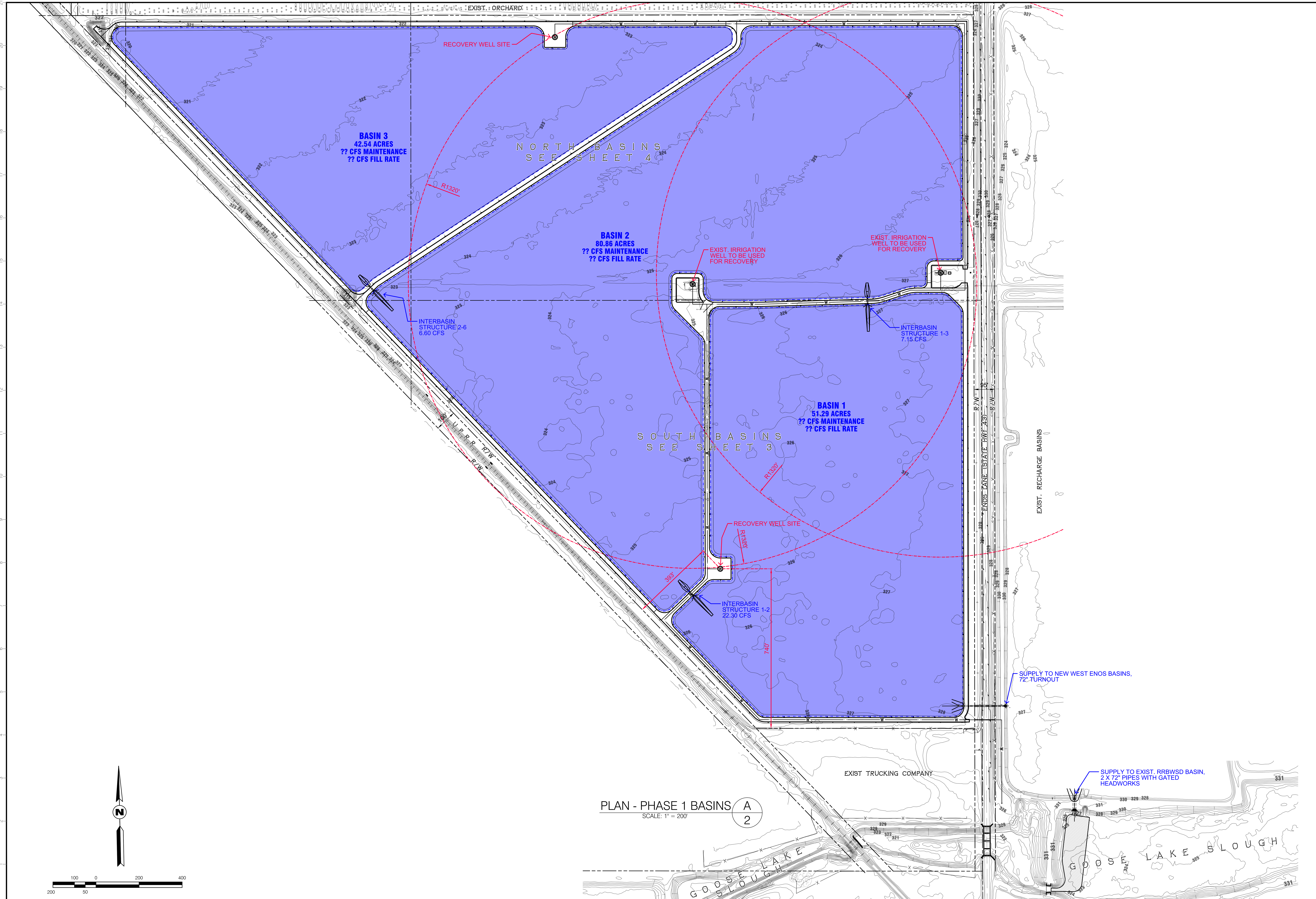
GROUNDWATER BANK JOINT POWERS AUTHORITY
WEST ENOS RECHARGE BASIN FACILITES
COVER AND TITLE SHEET

No 1 OF X SHEETS

PHASE 1 RECHARGE BASIN FACILITIES

PRINT DATE: 9/08/22



PLAN - PHASE 1 BASINS A/2
SCALE: 1" = 200'

Richard D. Meyer, RCE 28104 | Date

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Rev. No.	Date	Revision Description	Approved By

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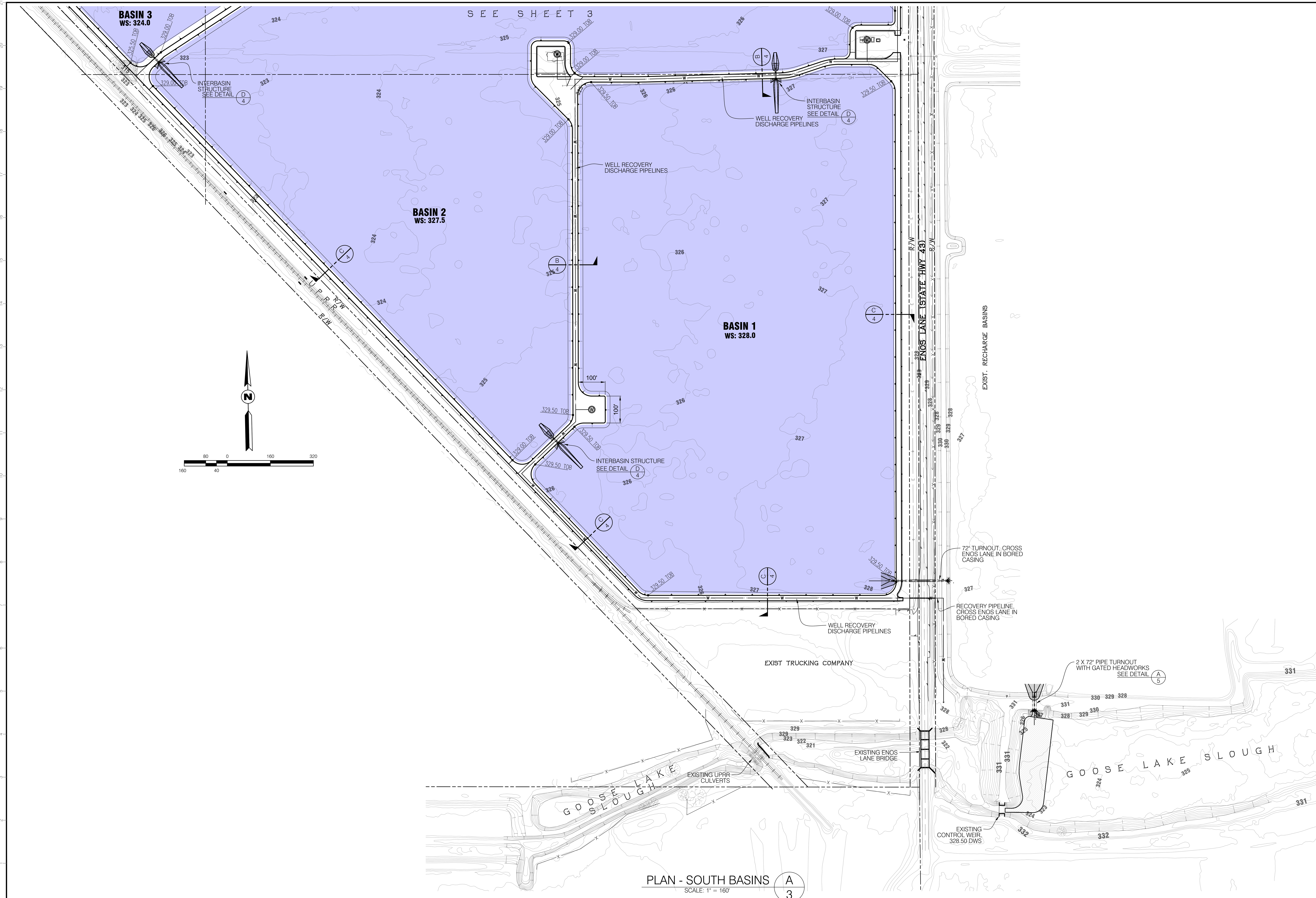
File No: GBJ-22-001
Date: 9-08-22

GROUNDWATER BANK JOINT POWERS AUTHORITY
WEST ENOS RECHARGE BASIN FACILITIES
GENERAL PLAN - PHASE 1 BASINS

SHEET NO. 2 OF XXX



PLAN - SOUTH BASINS A 3

SCALE: 1" = 160'

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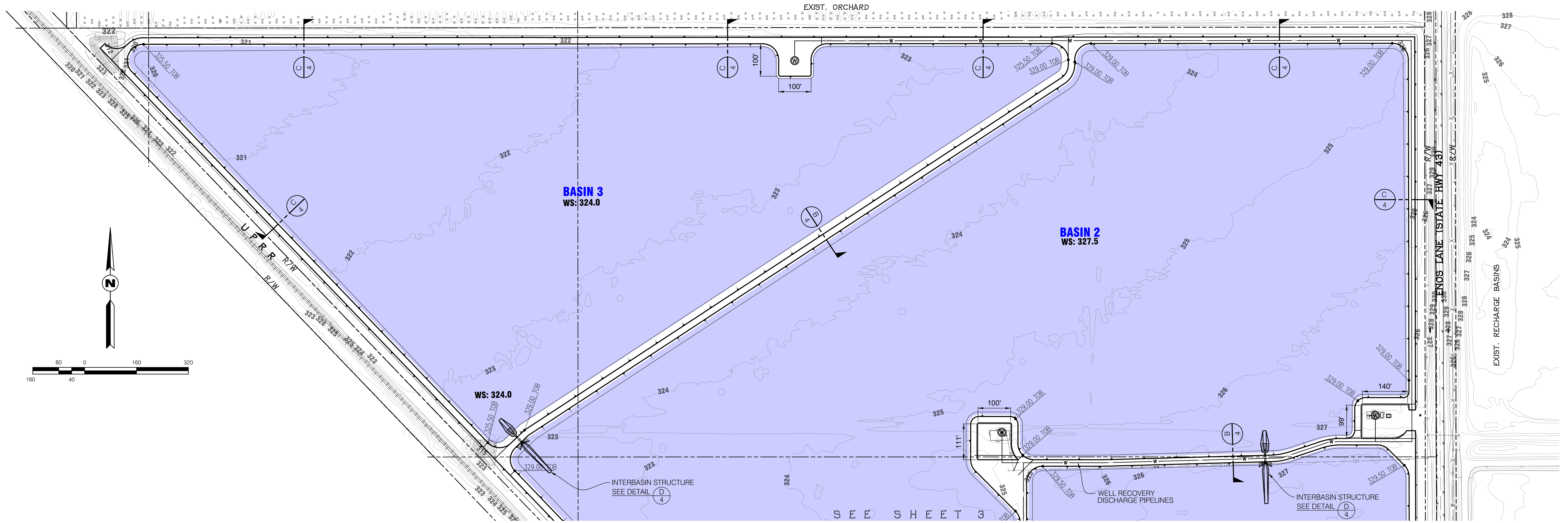
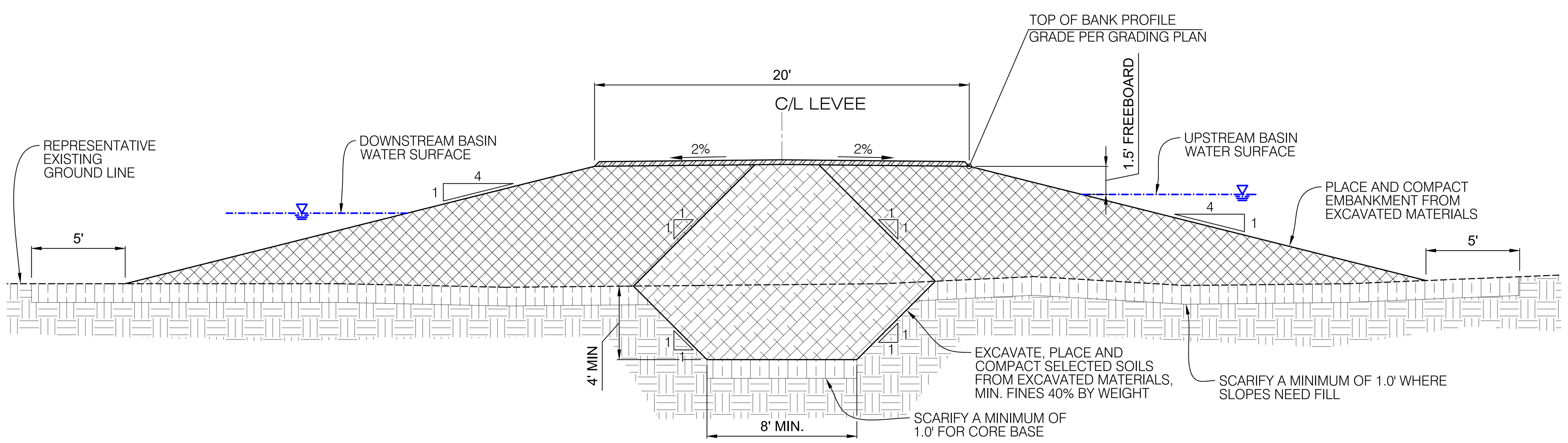
GROUNDWATER BANK JOINT POWERS AUTHORITY
WEST ENOS RECHARGE BASIN FACILITIES

PLAN - SOUTH PHASE 1 BASINS

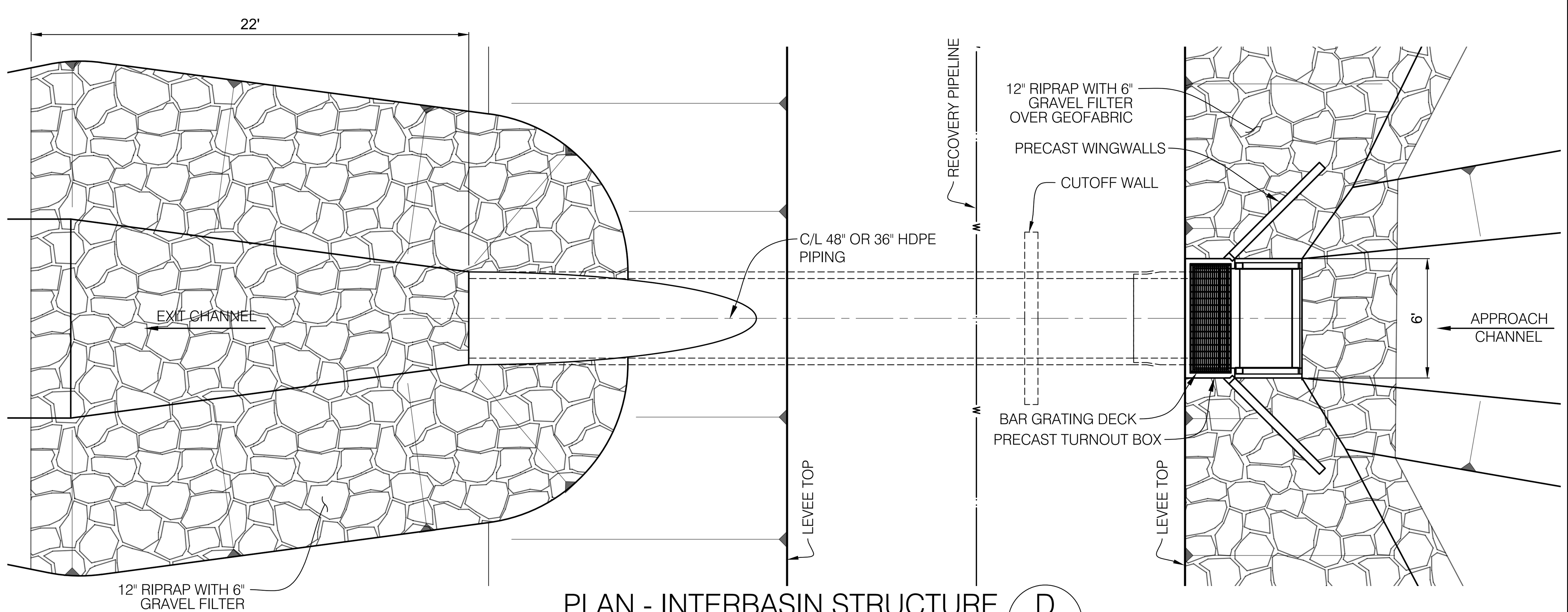
SHEET NO.
3
OF
XXX



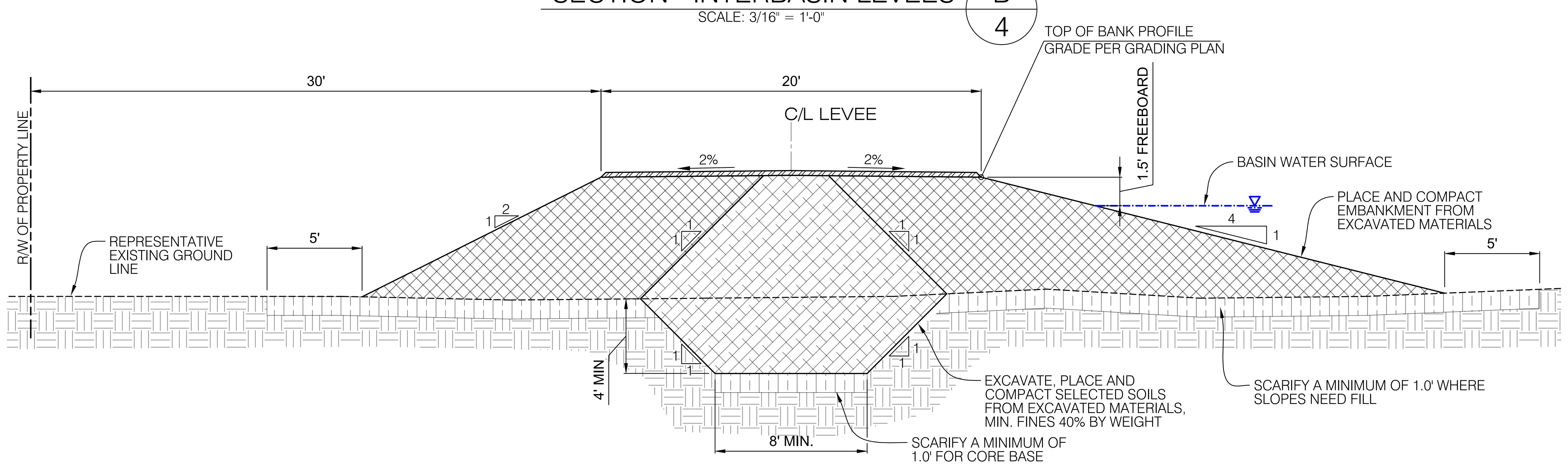
PLAN - NORTH BASINS (A/4)
SCALE: 1" = 160'



SECTION - INTERBASIN LEVEES (B/4)
SCALE: 3/16" = 1'-0"



PLAN - INTERBASIN STRUCTURE (D/4)
SCALE: 3/16" = 1'-0"



SECTION - PERIMETER LEVEES (C/4)
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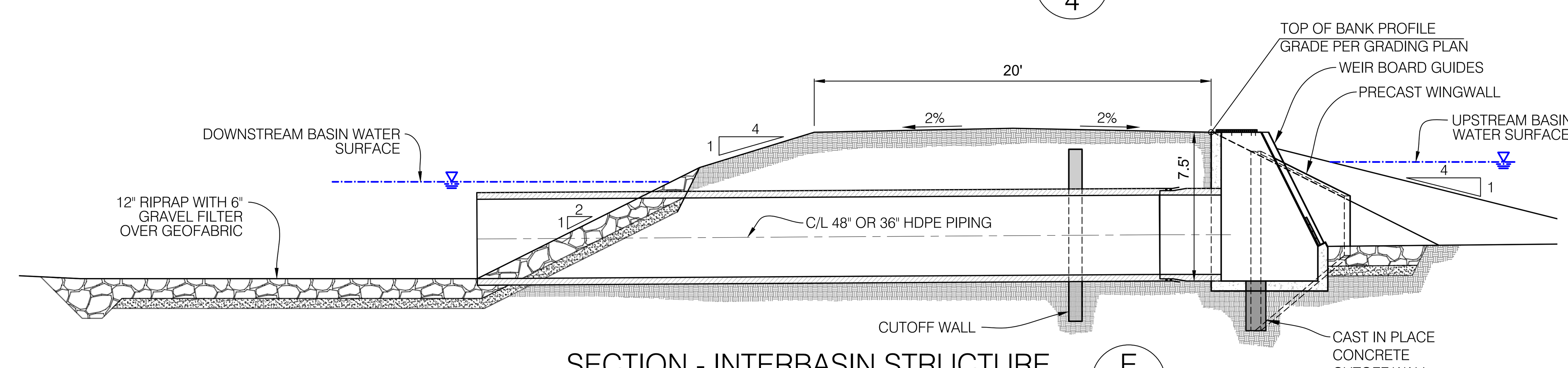

SECTION - INTERBASIN STRUCTURE (E/4)
SCALE: 3/16" = 1'-0"

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Rev. No.	Date	Revision Description	Approved By	Date

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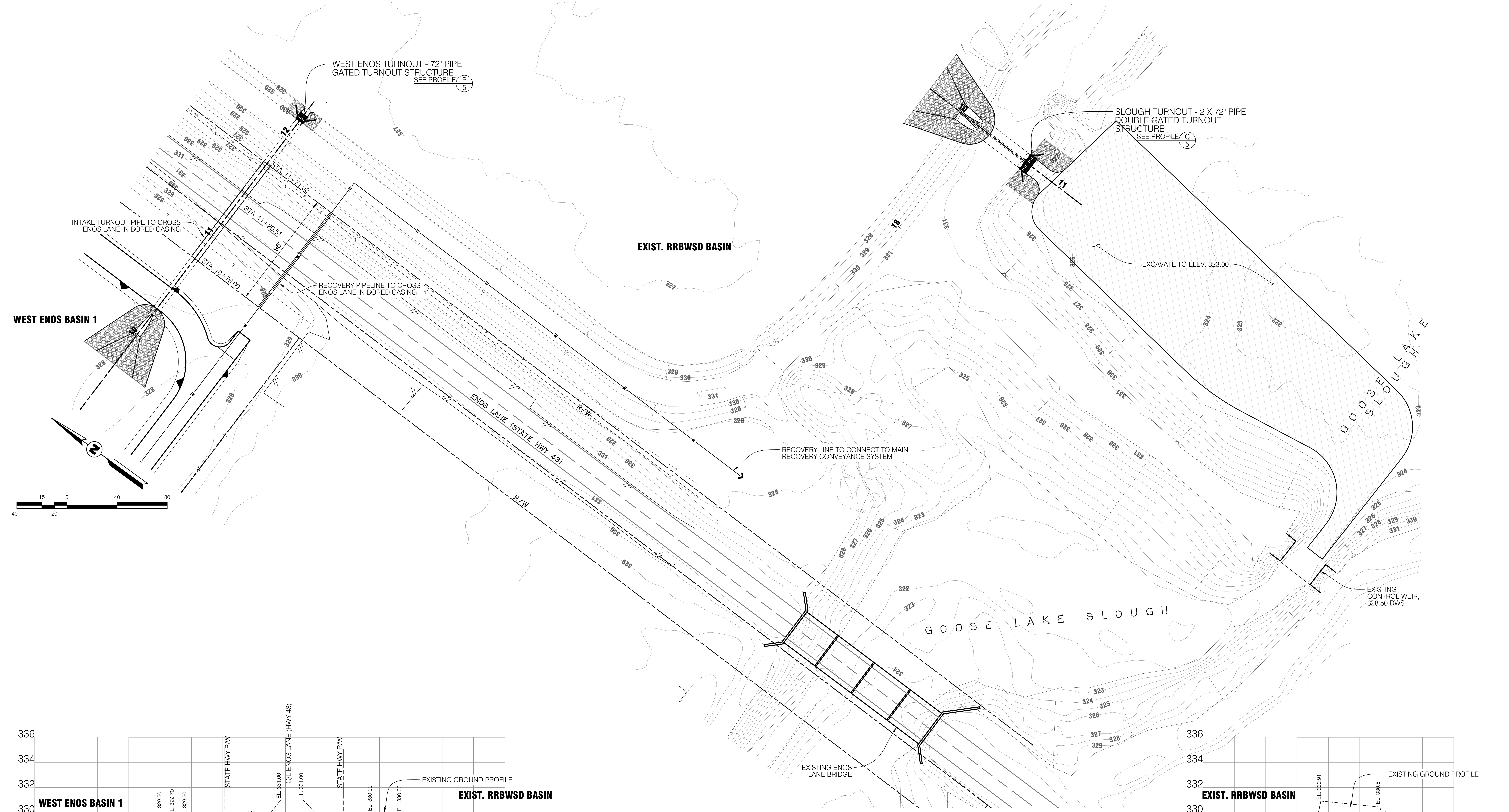
Date: 9-08-22

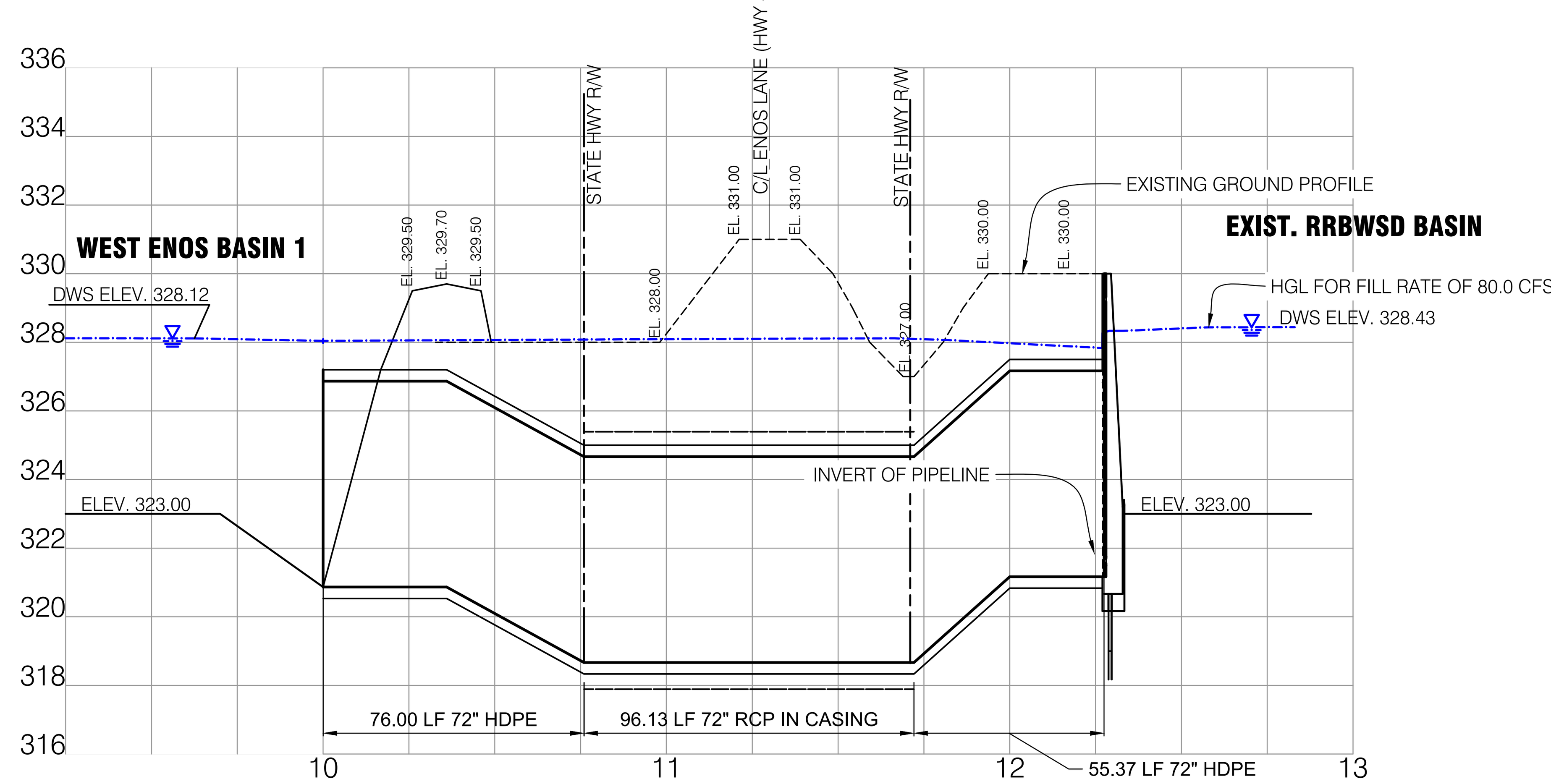
GROUNDWATER BANK JOINT POWERS AUTHORITY
WEST ENOS RECHARGE BASIN FACILITIES
PLAN - NORTH PHASE 1 BAINS

SHEET NO. 4 OF XXX



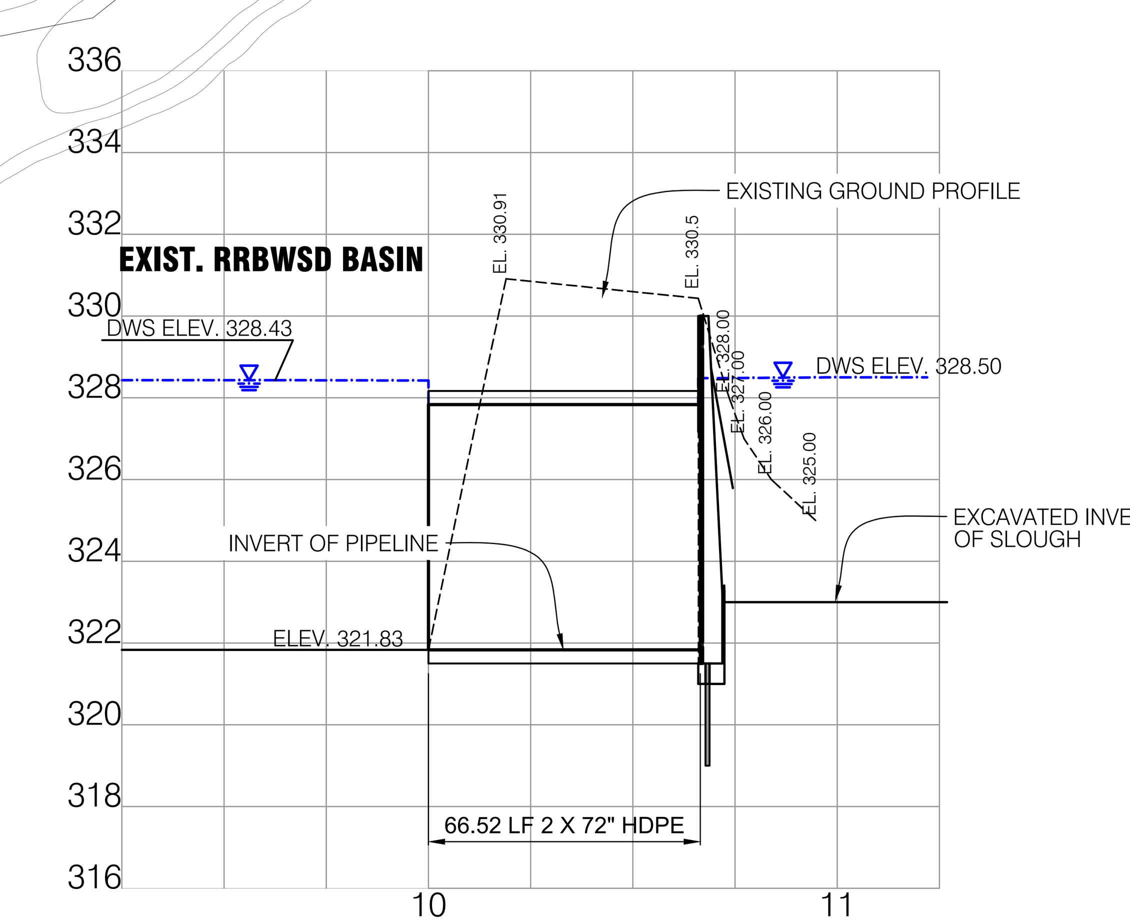
PLAN - INTAKE HEADWORKS & PIPELINE (A/5)

SCALE: 1" = 40'



PLAN - WEST ENOS TURNOUT (B/5)

SCALE: 1" = 40'



PLAN - SLOUGH TURNOUT (C/5)

SCALE: 1" = 40'

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Rev. No.	Date	Revision Description	Approved By

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Drawn By: ?
AutoCAD File: GBJ22001BA1
File No: GBJ-22-001
Date: 9-08-22

GROUNDWATER BANK JOINT POWERS AUTHORITY
WEST ENOS RECHARGE BASIN FACILITIES
PLAN - PROFILE SLOUGH AND WEST ENOS TURNOUTS

SHEET NO. 5 OF XXX

April 27, 2022
Prepared by: Curtis M. Skaggs

Kern Fan Groundwater Storage Project
Proposed Projects and Capital Budget for 2022-23 through 2024-25

SCOPE OF WORK

A capital outlay program has been prepared for the next three years and is outlined below. It primarily involves the development of two recharge and recovery properties referred to as the:

1) **Bolthouse Property** – Approximately 200 acres located on the west side of Enos Lane and north of the Goose Lake Channel in Section 26, T29S, R25E also being APN's 104-240-22, 104-240-30, and 104-240-31.

2) **Diamond Property** – Approximately 160 acres located north of Stockdale Hwy and east of the Rosedale Intake Canal in Section 35, T29S, R25E also being APN 104-291-07.

The development work includes, but is not limited to, recharge basins, recovery wells (two per property), well conveyance pipelines, interconnection with the Central Intake Pipeline for the Bolthouse property, interconnection with the Strand Ranch North CVC Turnout for the Diamond property, interconnection with the RRBWSD-CVC intertie pipeline for the Diamond property return flows, a potential conveyance facility in the Goose Lake Channel to either property, and a SCADA and PLC communication system.

Fiscal Year 2022-23

The work to be completed in FY2022-23 is anticipated to include the following:

- Land Acquisition for each property
- Environmental work for each property including CEQA and NEPA
- Engineering Design including field surveying, geotechnical work, preliminary engineering design, plans, specifications, cost estimates, bid documents, permitting, and electrical service applications.
- SCADA and PLC system design and software purchase
- Bid Phase Administration for the Bolthouse Property Recharge Basin Earthwork Project
- Bid Phase Administration for the Bolthouse Property Conveyance Facilities including well conveyance pipelines, Enos Lane road crossing, interconnection with the Central Intake Pipeline and potential Goose Lake Channel pump station facility
- Bid Phase Administration for the Bolthouse Property Well Drilling and Well Equipping for two recovery wells

- Bid Phase Administration for the Diamond Property Recharge Basin Earthwork Project
- Construction of the Bolthouse Property Recharge Basin Earthwork Project. Estimating completion of the project this fiscal year.
- Construction of the Bolthouse Property Conveyance Facilities including well conveyance pipelines, Enos Lane road crossing, interconnection with the Central Intake Pipeline and potential Goose Lake Channel pump station facility. Estimating completion of approximately fifty-percent (50%) of the project this fiscal year.
- Construction of the Bolthouse Property Well Drilling and Well Equipping for two recovery wells. Estimating completion of the drilling of one recovery well.
- Construction Management and Inspection for the above referenced projects including construction staking, daily field inspection, materials testing, and project management.

  Total Estimated Budget for FY2022-23 is $21,252,706.25.

Fiscal Year 2023-24

The work to be completed in FY2023-24 is anticipated to include the following:

- Completion of Engineering Design, Electrical Service Applications, and Permitting
- Completion of SCADA and PLC system design and hardware purchase
- Bid Phase Administration for the Diamond Property Well Drilling and Well Equipping for two recovery wells
- Bid Phase Administration for the Diamond Property interconnection pipeline to the RRBWSD-CVC Intertie Pipeline
- Bid Phase Administration for the Diamond Property water supply conveyance from the Strand Ranch North CVC Turnout including Stockdale Hwy road crossing
- Bid Phase Administration for the SCADA and PLC Programming project
- Completion of the Bolthouse Property Conveyance Facilities including well conveyance pipelines, Enos Lane road crossing, interconnection with the Central Intake Pipeline and potential Goose Lake Channel pump station facility.
- Completion of the Bolthouse Property Well Drilling and Well Equipping project.
- Construction of the Diamond Property Recharge Basin Earthwork Project. Estimating completion of this project this fiscal year.
- Construction of the Diamond Property Conveyance Facilities including well conveyance pipelines with a road crossing at Stockdale Hwy and a connection to the existing RRBWSD-CVC Intertie pipeline for return flows from the Diamond Property. Estimating completion of approximately 20% of the project this fiscal year.
- Construction of the Diamond Property Well Drilling and Well Equipping for two recovery wells. Estimating completion of the drilling for two wells this fiscal year.

- Construction of the Diamond Property water supply conveyance from the Strand Ranch North CVC Turnout including Stockdale Hwy road crossing. Estimating completion of approximately thirty-percent (30%) of the project this fiscal year.
- Construction Management and Inspection for the above referenced projects including construction staking, daily field inspection, materials testing, and project management.

  Total Estimated Budget for FY2023-24 is $14,747,221.45.

Fiscal Year 2024-25

The work to be completed in FY2024-25 is anticipated to include the following:

- Completion of the Diamond Property Conveyance Facilities including well conveyance pipelines with a road crossing at Stockdale Hwy and a connection to the existing RRBWSD-CVC Intertie pipeline for return flows from the Diamond Property.
- Completion of the Diamond Property Well Drilling and Well Equipping for two recovery wells. Estimating completion of the well equipping for two wells this fiscal year.
- Completion of the Diamond Property water supply conveyance from the Strand Ranch North CVC Turnout including Stockdale Hwy road crossing.
- Construction of the SCADA and PLC Programming System

  Total Estimated Budget for FY2024-25 is $8,557,839.30.

LIST OF EXHIBITS

Exhibit A: Proposed Capital Budget
Exhibit B: Preliminary Project Schedule

EXHIBIT A

Proposed Capital Budget

Groundwater Banking Joint Powers Authority

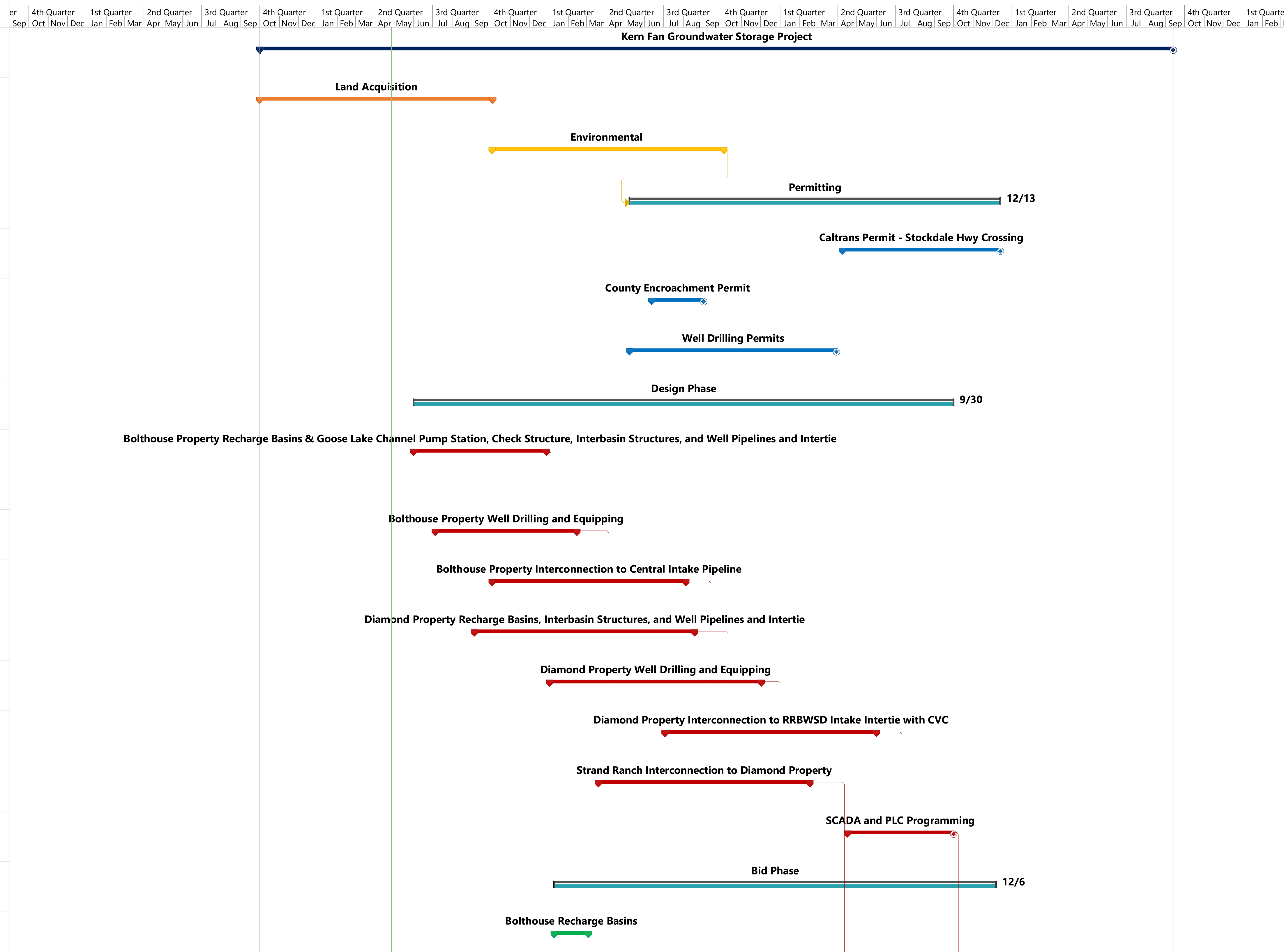
Proposed Capital Budget

Task No.	Task Description	Project Capital Cost	FY2022-23	FY2023-24	FY2024-25
1	Land Acquistion	$13,000,000.00	$13,000,000.00		
2	Engineering Design and Environmental Work	$1,752,350.00	$1,402,350.00	$350,000.00	
3	Construction Management and Inspection	$2,170,000.00	$613,668.75	$1,295,201.95	$261,129.30
4	Communications Design	$250,000.00	$100,000.00	$150,000.00	
5	Bolthouse Property 200 acre Recharge Earthwork	$2,563,950.00	$2,563,950.00		
6	Bolthouse Property 200 acre Conveyance Facilities	$5,145,475.00	$2,572,737.50	$2,572,737.50	
7	Bolthouse Property 200 acre Well Drilling (Two Wells)	$2,297,475.00	$1,000,000.00	$1,297,475.00	
8	Bolthouse Property 200 acre Well Equipping (Two Wells)	$3,048,710.00		$3,048,710.00	
9	Diamond Property 160 acre Recharge Earthwork	$1,898,622.00		$1,898,622.00	
10	Diamond Property 160 acre Conveyance Facilities	$2,435,000.00		$487,000.00	$1,948,000.00
11	Diamond Property 160 acre Well Drilling (Two Wells)	$2,297,475.00		$2,297,475.00	
12	Diamond Property 160 acre Well Equipping (Two Wells)	$3,048,710.00			$3,048,710.00
13	Strand Ranch Intertie with Stockdale Hwy Crossing	$4,500,000.00		$1,350,000.00	$3,150,000.00
14	SCADA and PLC Programming	$150,000.00			$150,000.00
	Total Budget:	$44,557,767.00	$21,252,706.25	$14,747,221.45	$8,557,839.30

EXHIBIT B

Preliminary Project Schedule

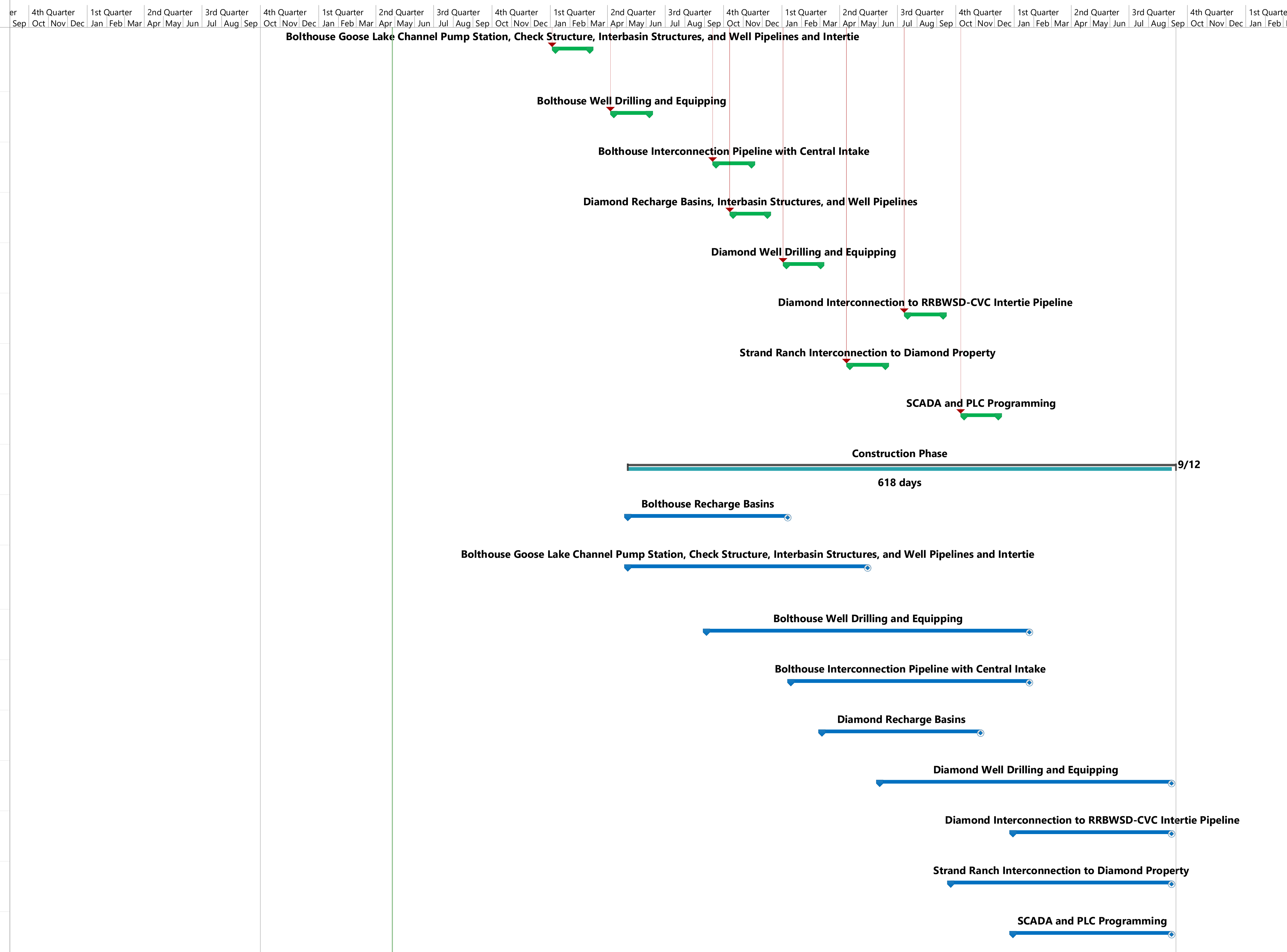
ID	Task Name	Duration	Start	Finish
0	**Kern Fan Groundwater Storage Project**	**1031 days**	**Fri 10/1/21**	**Fri 9/12/25**
1	Land Acquisition	262 days	Fri 10/1/21	Mon 10/3/22
2	Environmental	262 days	Mon 10/3/22	Tue 10/3/23
3	**Permitting**	**420 days**	**Mon 5/8/23**	**Fri 12/13/24**
4	Caltrans Permit - Stockdale Hwy Crossing	180 days	Mon 4/8/24	Fri 12/13/24
5	County Encroachment Permit	60 days	Mon 6/12/23	Fri 9/1/23
6	Well Drilling Permits	235 days	Mon 5/8/23	Fri 3/29/24
7	**Design Phase**	**609 days**	**Wed 6/1/22**	**Mon 9/30/24**
8	Bolthouse Property Recharge Basins & Goose Lake Channel Pump Station, Check Structure, Interbasin Structures, and Well Pipelines and Intertie	150 days	Wed 6/1/22	Tue 12/27/22
9	Bolthouse Property Well Drilling and Equipping	8 mons	Tue 7/5/22	Mon 2/13/23
10	Bolthouse Property Interconnection to Central Intake Pipeline	11 mons	Mon 10/3/22	Fri 8/4/23
11	Diamond Property Recharge Basins, Interbasin Structures, and Well Pipelines and Intertie	250 days	Mon 9/5/22	Fri 8/18/23
12	Diamond Property Well Drilling and Equipping	12 mons	Mon 1/2/23	Fri 12/1/23
13	Diamond Property Interconnection to RRBWSD Intake Intertie with CVC	12 mons	Mon 7/3/23	Fri 5/31/24
14	Strand Ranch Interconnection to Diamond Property	240 days	Mon 3/20/23	Fri 2/16/24
15	SCADA and PLC Programming	120 days	Tue 4/16/24	Mon 9/30/24
16	**Bid Phase**	**500 days**	**Mon 1/9/23**	**Fri 12/6/24**
17	Bolthouse Recharge Basins	40 days	Mon 1/9/23	Fri 3/3/23



Project: Kern Fan Groundwater
Date: Wed 4/27/22

Task	Summary	Inactive Milestone	Duration-only	Start-only	External Milestone	Path Successor Summary Task	Critical Split
Split	Project Summary	Inactive Summary	Manual Summary Rollup	Finish-only	Deadline	Path Successor Normal Task	Progress
Milestone	Inactive Task	Manual Task	Manual Summary	External Tasks	Path Successor Milestone Task	Critical	Manual Progress

ID	Task Mode	Task Name	Duration	Start	Finish
18		Bolthouse Goose Lake Channel Pump Station, Check Structure, Interbasin Structures, and Well Pipelines and Intertie	40 days	Mon 1/9/23	Fri 3/3/23
19		Bolthouse Well Drilling and Equipping	40 days	Tue 4/11/23	Mon 6/5/23
20		Bolthouse Interconnection Pipeline with Central Intake	40 days	Tue 9/19/23	Mon 11/13/23
21		Diamond Recharge Basins, Interbasin Structures, and Well Pipelines	40 days	Mon 10/16/23	Fri 12/8/23
22		Diamond Well Drilling and Equipping	40 days	Mon 1/8/24	Fri 3/1/24
23		Diamond Interconnection to RRBWSD-CVC Intertie Pipeline	40 days	Wed 7/17/24	Tue 9/10/24
24		Strand Ranch Interconnection to Diamond Property	40 days	Wed 4/17/24	Tue 6/11/24
25		SCADA and PLC Programming	40 days	Mon 10/14/24	Fri 12/6/24
26		**Construction Phase**	**618 days**	**Wed 5/3/23**	**Fri 9/12/25**
27		Bolthouse Recharge Basins	180 days	Wed 5/3/23	Tue 1/9/24
28		Bolthouse Goose Lake Channel Pump Station, Check Structure, Interbasin Structures, and Well Pipelines and Intertie	270 days	Wed 5/3/23	Tue 5/14/24
29		Bolthouse Well Drilling and Equipping	365 days	Mon 9/4/23	Fri 1/24/25
30		Bolthouse Interconnection Pipeline with Central Intake	270 days	Mon 1/15/24	Fri 1/24/25
31		Diamond Recharge Basins	180 days	Mon 3/4/24	Fri 11/8/24
32		Diamond Well Drilling and Equipping	330 days	Mon 6/3/24	Fri 9/5/25
33		Diamond Interconnection to RRBWSD-CVC Intertie Pipeline	180 days	Mon 12/30/24	Fri 9/5/25
34		Strand Ranch Interconnection to Diamond Property	250 days	Mon 9/23/24	Fri 9/5/25
35		SCADA and PLC Programming	180 days	Mon 12/30/24	Fri 9/5/25



Project: Kern Fan Groundwater
Date: Wed 4/27/22

Task | Summary | Inactive Milestone | Duration-only | Start-only | External Milestone | Path Successor Summary Task | Critical Split
Split | Project Summary | Inactive Summary | Manual Summary Rollup | Finish-only | Deadline | Path Successor Normal Task | Progress
Milestone | Inactive Task | Manual Task | Manual Summary | External Tasks | Path Successor Milestone Task | Critical | Manual Progress

RESOLUTION NO. 2022-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROUNDWATER BANKING JOINT POWERS AUTHORITY SMALL SURFACE STORAGE AND GROUNDWATER STORAGE PROJECTS GRANT APPLICATION

WHERAS, the Groundwater Banking Joint Powers Authority has prepared an application to apply for federal funding from the United States Department of the Interior, Bureau of Reclamation (Reclamation) to assist in the funding of Groundwater Storage Projects; and

WHERAS**,** the funding opportunity provided by Reclamation through their Grant Program entitled "Small Surface Water and Groundwater Storage Projects" Funding Opportunity Announcement No. is R23AS00019; and

WHERAS**,** the West Enos and Stockdale North Recharge and Recovery Project involves the drilling and equipping of 4 wells, construction of approximately 300 acres of recharge ponds, and construction of recovery well conveyance, pipelines, and turnout facilities to improve overall drought resiliency by increasing groundwater recharge during wet years and recovery in drought years.

THEREFORE, BE IT RESOLVED**,** the Groundwater Banking Joint Powers Authority Board of Directors have reviewed the application and support its submittal for Reclamation assisted funding. The Board of Directors approve Dan Bartel, General Manager, as the official with legal authority to enter into a cooperative agreement with Reclamation and confirm that the Groundwater Banking Joint Powers Authority is capable of providing the amount of funding specified in the application. The Groundwater Banking Joint Powers Authority will work with Reclamation to meet established deadlines for entering into a cooperative agreement.

PASSED APPROVED AND ADOPTED on this ___________ day of ____________, 20 ___ by the following roll-call vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

GROUNDWATER BANKING JOINT POWERS AUTHORITY

____
President/Board of Directors

ATTEST:

____
Secretary/Board of Directors

September 19, 2022
Prepared by: Fiona Sanchez
Agenda Item: 5c

Kern Fan Groundwater Storage Project
Budget Forecast and Grant Funding Update

DISCUSSION:

Project Budget:

Staff has a drafted a budget for the Kern Fan Project, which is provided as Exhibit "A". This budget shows capital expenditures to date, a detailed budget forecast for FY 2022-23, and forecasted expenditures for each of the future fiscal years through project completion in FY 2028-29.

Proposition 1 grant funding has been conditionally awarded to Kern Fan Project up to an amount of $89.1 million; this grant amount is reflected in the draft budget. For budgeting purposes only, potential federal funding of $30 million is also shown in this budget. The net project capital budget needed for the project after applying forecasted grant revenues is $102.2 million, which would be split on a 50-50 basis between the GBJPA members: IRWD and Rosedale.

Grant Funding Update:

State Funding:

The Water Quality, Supply, and Infrastructure Improvement Act of 2014, known as Proposition 1, will fund $2.7 billion for public benefits associated with water storage projects that will provide specific public and ecosystem benefits. The California Water Commission (CWC) is administering Prop 1 grant funding for the planning, design, and construction of water storage projects through the Water Storage Investment Program (WSIP). CWC has conditionally awarded $89.1 million in WSIP grant funding to the Kern Fan Project. Final award is subject to execution of all project agreements and issuance of all required permits.

The seven WSIP projects were awarded funding based on 2018 project costs. The Kern Fan Project initially was conditionally awarded $67.5 million. In 2021, the CWC allocated additional available Prop 1 funds to the Kern Fan Project based on the public benefits, increasing the conditional award to $85.6 million. In 2022, the CWC used its remaining available funding to award small inflationary adjustments to each of the projects, resulting in a final conditional award of $89.1 million to the Kern Fan Project. The inflationary adjustments do not fully cover the full impact of recent inflationary increases. Proponents of the WSIP projects (including the GBJPA) have jointly advocated for additional funding for inflationary adjustments in the state budget. Any such adjustments would be subject to appropriation in future state budgets.

Federal Funding:

Staff is actively pursuing up to $30 million in federal funding for the Kern Fan Project. At the Committee meeting, staff will provide an overview of those efforts and potential opportunities to secure federal funding.

RECOMMENDATION:

Receive and File.

LIST OF EXHIBITS:

Exhibit “A” – Budget Forecast Worksheet Fiscal Years 2021 to 2029

Exhibit "A"

Groundwater Banking Joint Powers Authority
Forecast Worksheet
Fiscal Years 2021 to 2029

Task / Account	Task / Account Name	Audited Actual FY2020-21	Unaudited Actual FY2021-22	Budget Forecast FY2022-23	Forecast FY2023-24	Forecast FY2024-25	Forecast FY2025-26	Forecast FY2026-27	Forecast FY2027-28	Forecast FY2028-29	Total	Notes
1.0	Engineering-Planning staff	$ 144,368	$ 27,937	$ 29,000	$ 30,000	$ 30,000	$ 31,000	$ 32,000	$ 33,000	$ 34,000	$ 391,305	Escalated at 3%
1.1	Grant Administration and Reporting	5,173	5,581	8,000	25,000	10,000	10,000	11,000	11,000	11,000	96,754	Budget escalated 3%yr. FY2023-24 Prop 1 grant agreement - all permitting and agreements must be in place first.
1.15	CWC and USBR Feasibility Studies	45,947	84,244	37,000	5,000	5,000	-	-	-	-	177,191	State Complete. Continued federal applications.
1.16	JPA Administration	54,789	74,708	74,000	77,000	79,000	81,000	84,000	86,000	89,000	699,497	Escalated at 3%
1.4	Supplement Environmental Impact Report	17,633	175	20,000	25,000	-	-	-	-	-	62,808	Staff time. FY 2022-23 Pulse Flow, FY 2023-24 Turnout/Conveyance
1.5	Agreement with State Agencies	2,697	5,040	12,000	12,000	-	-	-	-	-	31,737	GBJPA Member Time - Public Benefits, Turnout and Exchange
1.8	Property Pre-Acquisition Work and Geophysical	64,701	40,202	50,000	50,000	-	-	-	-	-	204,903	Assume similar work for additional properties.
2.0	Accounting and Financial Reporting	22,371	-	-	-	-	-	-	-	-	22,371	Moved to Operating after FY 2020-21
3.0	Engineering Design - Outside	31,936	42,818	485,000	3,571,000	3,126,000	2,061,000	-	-	-	9,317,754	Phase 1 2022-24, Phase 2 2023-2026
4.0	Construction CA&I	-	-	-	399,000	545,000	1,916,000	2,726,000	2,148,000	1,899,000	9,633,000	Phase 1 2022-24, Phase 2 2025-2029
5.0	Construction	-	-	-	4,982,000	6,810,000	30,265,000	44,939,000	35,796,000	31,650,000	154,442,000	Phase 1 2022-24, Phase 2 2025-2029
5.1	Land	-	8,996,494	9,000,000	21,600,000	-	-	-	-	-	39,596,494	250 ac and 600 ac @ avg $36 K/ac
6.0	Legal JPA	74,478	50,532	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,010	CEQA lawsuits resolved. Grant and State agmts expected next two FYs. SEIR review.
900.0	Preliminary Design Report and Feasiblity	94,561	106,312	10,000	-	-	-	-	-	-	210,873	Complete
906.0	Development of Agreement with FWS	-	-	8,000	3,000	-	-	-	-	-	11,000	Consultant support
908.0	Development of Agreement with DWR	44,359	1,906	23,000	-	-	-	-	-	-	69,265	Consultant support
910.0	Due Diligence to Purchase Land	3,080	-	-	-	-	-	-	-	-	3,080	Future costs included in Property Pre-Acquisition Task
916.0	Habitat Credit Purchase	-	-	-	-	-	3,200,000	-	-	-	3,200,000	KWB
918.0	Environmental	342,139	6,038	30,000	30,000	-	-	-	-	-	408,177	Consultant support - Turnout/Conveyance
922.0	Permitting/Easements	-	-	-	25,000	325,000	300,000	-	-	-	650,000	
928.0	PG&E Service	-	-	-	-	50,000	550,000	500,000	500,000	-	1,600,000	
930.0	Bid Phase	-	-	-	60,000	150,000	45,000	-	-	-	255,000	Phase 1 2023-24, Phase 2 2024-2026
	Capital Project Total	948,232	9,441,987	9,811,000	30,919,000	11,155,000	38,484,000	48,317,000	38,599,000	33,708,000	221,383,219	
Operating Income												
	Operating Income Total	(48,567)	(49,844)	(63,000)	(65,000)	(67,000)	(69,000)	(71,000)	(73,000)	(75,000)	(581,411)	Does not include OM&R funding contributions.
Operating Expense												
	Operating Expense Total	48,567	49,844	63,000	65,000	67,000	69,000	71,000	73,000	75,000	581,411	Escalated at 3% per yr. Does not include OM&R.
	Total	**948,232**	**9,441,987**	**9,811,000**	**30,919,000**	**11,155,000**	**38,484,000**	**48,317,000**	**38,599,000**	**33,708,000**	**221,383,219**	
Less: Prop 1 Grant Revenue		-	-	-				(30,581,000)	(20,000,000)	(38,519,000)	(89,100,000)	Executed funding agmt required. Land all GBJPA cost share. Total should be $89.1 M
Less: Federal Grant Revenue						(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(30,000,000)	Up to $30 M for small storage/possible large storage federal grant oppourtunity.
	Net	**$ 948,232**	**$ 9,441,987**	**$ 9,811,000**	**$ 30,919,000**	**$ 5,155,000**	**$ 32,484,000**	**$ 11,736,000**	**$ 12,599,000**	**$ (10,811,000)**	**$ 102,283,219**	

nexamp

Groundwater Bkng Joint Powers
849 Allen Rd
Bakersfield, CA 93314-9402

Dear Groundwater Bkng Joint Powers,

I am writing again to express continued interest in leasing a portion of your property (Parcel ID 104-240-31-00-7) located in Bakersfield, CA for the purpose of hosting a Nexamp community solar project.

In your area, we can typically offer landowners about **$1,500** per acre per year, or up to **$45,000** in lease payments in the first year (assuming a 30-acre lease area) and **increasing each year thereafter**. The exact amount may vary depending on specific site conditions and interconnection process with the local utility.

WE PARTNER WITH	TO PROVIDE
✓ Local farmers	✓ Supplemental income from existing farmland
✓ Landowners	✓ Long-term preservation method to ensure farmland is intact at end of project
✓ Municipalities	✓ Renewable energy jobs for local residents
✓ Counties	✓ Annual tax revenue to counties

If you're interested in working with us to build California's clean energy future and generate consistent lease revenue, I would be happy to discuss these details with you.

Please call or email me at my contact information below for a free, no-commitment assessment of your property. I look forward to hearing back from you.

Sincerely,

Minnie Wongsinghagul
Business Development Associate
Nexamp | www.nexamp.com
M: 857-302-7663
mwonsinghagul@nexamp.com

nexamp

Groundwater Bkng Joint Powers
849 Allen Rd
Bakersfield, CA 93314-9402

Dear Groundwater Bkng Joint Powers,

I am writing again to express continued interest in leasing a portion of your property (Parcel ID 104-240-22-00-1) located in Bakersfield, CA for the purpose of hosting a Nexamp community solar project.

In your area, we can typically offer landowners about **$1,500** per acre per year, or up to **$45,000** in lease payments in the first year (assuming a 30-acre lease area) and **increasing each year thereafter**. The exact amount may vary depending on specific site conditions and interconnection process with the local utility.

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Minnie Wongsinghagul
Business Development Associate
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M: 857-302-7663
mwonsinghagul@nexamp.com