KERN NON-DISTRICTED LAND AUTHORITY

(FORMERLY KERN GROUNDWATER AUTHORITY)

3200 Rio Mirada Drive Bakersfield, CA 93308
Regular Meeting of the Board of Directors
November 25, 2024, 2:00 p.m.

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:
https://us02web.zoom.us/j/81772344478?pwd=PcXVFaF8lakOR2MQ3r6CRQetwmaHbt.1
Telephone Dial-in: (669) 900-6833
Meeting ID: 817 7234 4478
Password: 533602

KERN NON-DISTRICTED LAND AUTHORITY BOARD OF DIRECTORS AGENDA

This meeting is held in accordance with the Brown Act pursuant to Section 54956 of the California Government Code and the Kern Non-Districted Land Authority Joint Powers Agreement.

1. **Roll Call - Quorum Determination**
   In the absence of a quorum, the Board will handle only those items not needing a quorum.

2. **Flag Salute**

3. **Public Input**
   This portion of the meeting is set aside to provide the public an opportunity to bring to the attention of the Board matters of which the Board may not be aware and which are not on the current agenda. No action can be taken on any matter raised during this portion of the meeting; however, a Board member may request that the matter be placed on any future agenda for further review and possible action. Members of the public may directly address the Board of Directors on any item of interest within the Board's subject matter jurisdiction, before or during the Board's consideration of the item. The President may limit the time allowed for comment.

4. **Approval of Minutes**
   - **a.** *October 28, 2024 (Valerie)

5. **Financial Report**
   - **a.** *Financial Report & Accounts Payable (Skye)
   - **b.** *Budget Committee Ad hoc (Skye)

6. **Administration**
   - **a.** *Consideration of Appointment of Executive Officer (Barry)
   - **b.** Special Board Meeting Friday, December 13, 2024, at 2 pm (Rachelle)

7. White Area Representatives

- **a.** *Extend Date of Nomination and Update on Representative Appointment Process (Barry)

8. DWR Grant Administration

- **a.** Report on DWR Grant Administration (Jason)
- **b.** *Approve Grant Amendment (Barry)

9. County of Kern Participation

- **a.** Kern County Participation Ad hoc Committee Report (Rodney)

10. Kern Subbasin Groundwater Sustainability Plan

- **a.** Update of Representative Monitor Well Access Agreements (Dan and Jeevan)
- **b.** *Consideration of Setting of Member Reserves for Well Mitigation Program (Vanessa/Skye)

11. Legal

- **a.** Statewide Update (Valerie)

12. New Business

13. Correspondence

14. Closed Session

- **a.** Potential Litigation – Government Code Section 54956.9(d)(2)

15. Adjournment

A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the Authority provide disability-related modification or accommodation in order to participate in any public meeting of the Authority. Such assistance includes appropriate alternative formats for the agendas and agenda packets. Requests should be made in person, by telephone, facsimile and/or written correspondence to the Authority office, at least 48 hours before a public Authority meeting. Written materials related to an item on this agenda to be considered in open session that are public documents and that are distributed to board members after the posting of the agenda, will be made available for public inspection when they are so distributed at the location of the KNDLA meeting during normal business hours. Documents that are public documents provided by others during a meeting will be available at the same location during business hours after the meeting.

JPA Board Meeting Minutes
Kern Non-Districted Land Authority (KNDLA)
Monday, October 28, 2024, at 2:00 p.m.

JPA DISTRICT REPRESENTATIVES AND ALTERNATES PRESENT
Derek Yurosek, Arvin-Edison
Amrit Mangat, Buena Vista
Spencer Birch, Cawelo
Tom McCarthy, KCWA ID4
Rodney Palla, Kern Delta
Andrew Hart, Kern Tulare
Kevin Andrew, North Kern
Jeff Siemens, Olcese
Royce Fast, Pioneer
Dan Bartel, Rosedale-Rio Bravo
Dan Waterhouse, Semitropic
Bret Sill, Shafter-Wasco/7th Standard Annex (not present for items 1-6)
Gary Morris, West Kern
Rob Goff, Westside District Water Authority
Michael Blaine, Wheeler Ridge

1. **Roll Call**
   Quorum Determination—Director Fast called the meeting to order at 2:00 p.m. after confirming the presence of a quorum, which met the threshold required under the JPA agreement.
2. **Flag Salute**
   Completed.
3. **Public Input**
   None.
4. **Approval of Minutes**
   a. **September 23, 2024**
      A motion was made by Director Goff and seconded by Director Waterhouse to approve the September 23, 2024, Regular Board Meeting Minutes. Director McCarthy abstained. Despite the abstention, the motion passed unanimously.
5. **Financial Report**
   a. **Financial Report & Accounts Payable**
      Ms. Grass reviewed the Financial Report and Accounts Payable for September 2024, focusing on cash calls, deposits, disbursements, receivables, and grant balances. Ms. Grass requested approval for the disbursement of accounts payable:
      - $59,034.37 as presented in Exhibit E for September 2024.

      A motion was made by Director Hart and seconded by Director Yurosek to approve the financial reports and disbursement of payments as advised by Ms. Grass. The motion was unanimously passed.

b. **KGA Closeout Ad hoc Committee Report**
Ms. Grass recommended refunding the thirteen KGA agencies that participated in the 2024 initial cash call, totaling $5,843.38, while retaining $15,600 for future audits. A motion was made by Director Andrews and seconded by Director Yurosek. The motion passed unanimously.

c. **Financial Standard Operating Procedures**
Ms. Grass provided an overview of the Financial Standard Operating Procedures, emphasizing the separation of duties and outlining roles and responsibilities amongst staff.

6. **Administration**
   a. **Update on circulation of RFP for Executive Officer**
   Mr. Bartel reported that the RFP for the Executive Director position was distributed after incorporating the requested changes. No applications have been received yet; additional information is expected from Chairman Watts in the coming weeks.
   b. **Special Board Meeting December**
   Ms. Echeverria suggested rescheduling the December meeting due to holiday conflicts, tentatively proposing Friday, December 13th, at 2:00 p.m. She will follow up with the Board.
7. **White Area Representatives**
   a. **Representative Appointment Process**
   Ms. Kincaid summarized the Non-Districted Land Representative(s) Process Recommendations. She provided an overview of the outreach process, the recommendations/nomination forms to be submitted via email to Ms. Echeverria, and the standard two-vote option. She opened discussion for consideration of term limits, vacancies, and a 75% vote to remove a seat. The Board discussed and provided direction on specific aspects of the process as set forth below:
      - **Terms and Term Limits Motion:** Director Palla moved, and Director Andrew seconded, to adopt a two-year term, with no limits on the number of terms. Motion passed.
      - **Eligibility Clarification Motion:** Director Yurosek moved, and Director Palla seconded, to clarify eligibility requirements for Non-District Landowners; to be eligible nominees must own land within the jurisdiction of the KNDLA or otherwise represent an entity that owns land within the KNDLA jurisdiction. Motion passed.
      - **Removal of Representatives and Voting Requirement Motion:** Director Hart moved, and Director Palla seconded, that a non-districted land representative may be removed from the KNDLA Board after appointment by motion, consideration, and 75% affirmative vote. In addition, it was clarified that the motion would adopt a standard two-vote option as set forth in the staff memo. Motion passed.
      Director Sill then summarized the review process for nominations.

8. **DWR Grant Administration**
   a. **Report on DWR Grant Administration**

Mr. Gianquinto discussed the amendment request for the basin study to modify scope and hydrological models. Only Request No. 6 was received from DWR, and issues with the KGA name change remain unresolved.

b. **Monitoring Well Component Budget Amendment**
Mr. Gianquinto and Ms. Kincaid presented Amendment No. 2, recommending the addition of Todd Groundwater and sub-consultants. Mr. Gianquinto also recommended modifying grant Amendment No. 2 to include language to improve the equipment of four wells.
A motion was made by Director Bartel and seconded by Director Hart to approve Amendment No. 2. The motion unanimously passed.

9. **County of Kern Participation**
   a. **Kern County Participation Ad hoc Committee**
   Director Palla reported on a meeting with the County held a few months prior. Another meeting with the County is scheduled for Wednesday, where Directors Fast and Yurosek will introduce KNDLA and provide updates.
10. **Kern Subbasin Groundwater Sustainability Plan (GSP)**
   a. **Report on the establishment of Representative Monitoring Wells**
   Mr. Muhar and Mr. Bartel discussed the process of identifying representative monitoring wells and shared a draft access agreement along with a cover letter for property owners. Mr. Bartel informed the Board of a potential well near Choctaw Valley, while Mr. Muhar is working to identify a well in Caliente. Mr. Taylor provided updates on the Groundwater Sustainability Plan (GSP) well mitigation plan, including funding requirements and budget implications. The Board tabled further discussion for the next meeting.

11. **Legal**
   a. **Joint Defense Agreement**
   Ms. Kincaid introduced the Joint Defense Agreement, which protects privileged discussions regarding litigation exposure at the subbasin level. She clarified that funding was not required.
   A motion was made by Director Morris and seconded by Director McCarthy to approve the Joint Defense Agreement. The motion was unanimously approved.

12. **New Business**
   None.
13. **Correspondence**
   None.
14. **Closed Session**

   a. **Potential Litigation – Government Code Section 54956.9(d)2**
   The closed session commenced at 3:00 p.m. and concluded at 3:06 p.m. Director Fast announced that there were no reportable actions taken during the session.

15. **Adjournment**
   A motion to adjourn was made by Director Palla, seconded by Director Waterhouse, and passed unanimously. The meeting adjourned at 3:07 p.m.

ANDREA R. HILL, CPA
An Accountancy Corporation

November 19, 2024

TO: Kern Non-Districted Land Authority

FROM: Andrea R. Hill CPA, AAC

SUBJECT: October 2024 Accountant's Report

DISCUSSION

Exhibit A is the Accountant's Report for the Authority's financial activities from October 1, 2024, through October 31, 2024. There were $53,975.00 of deposits during the month. There were $59,034.37 of disbursements issued during the month. The cash balance on October 31, 2024, is $146,719.19. There were zero subsequent deposits as shown on **Exhibit B**.

The Accounts Receivable balance from Members on October 31, 2024, was $5397.50 as shown on **Exhibit C**. Receivable from Grants on October 31, 2024, totaled $409,039.77 as detailed on **Exhibit D.** The combined total of Receivables on October 31, 2024, was $414,437.27.

Exhibit E is the detail of Accounts Payable for the month of October 2024, reflecting total payables on October 31, 2024, of $433,223.00. At this time, invoices totaling $88,299.17 are being requested for payment approval and disbursement.

Exhibit F is the Authority's unaudited financial statements on October 31, 2024. They include a Statement of Net Position as of October 31, 2024, and a Statement of Revenues and Expenses for the one month and ten months ended October 31, 2024. We believe both statements fairly present the financial position and results of the Authority's activities for the general JPA membership and each specific Special Activity Agreements at this time.

Exhibit A
Kern Non-Districted Land Authority
Accountant's Report - through October 31, 2024

CURRENT ACTIVITY

Cash Balance, Prior Report September 30, 2024)				**$ 151,778.56**
Deposits	**Date**	**Purpose**	**Amount**	
Southern San Joaquin MUD	10/1/24	2024 KNDLA Initial Cash Call	5,397.50	
Olcese Water District	10/1/24	2024 KNDLA Initial Cash Call	5,397.50	
Kern Delta Water District	10/1/24	2024 KNDLA Initial Cash Call	5,397.50	
Semitropic Water Storage District	10/1/24	2024 KNDLA Initial Cash Call	5,397.50	
Westside District Water Authority GSA	10/4/24	2024 KNDLA Initial Cash Call	5,397.50	
Kern Co. Water Agency ID4	10/4/24	2024 KNDLA Initial Cash Call	5,397.50	
Kern Co. Water Agency Pioneer GSA	10/4/24	2024 KNDLA Initial Cash Call	5,397.50	
Arvin-Edison Water Storage District	10/17/24	2024 KNDLA Initial Cash Call	5,397.50	
Tejon-Castac Water District	10/30/24	2024 KNDLA Initial Cash Call	5,397.50	
West Kern Water District	10/30/24	2024 KNDLA Initial Cash Call	5,397.50	
Total Deposits				**53,975.00**
Disbursements	**Date**	**Ck #**	**Amount**	
GEI Consultants, Inc.	10/16/24	3159	46,533.37	
Andrea R. Hill CPA AAC	10/16/24	3160	1,000.00	
Paris Kincaid Wasiewski LLP	10/16/24	3161	10,251.00	
Patty Poire	10/16/24	3162	1,250.00	
Total Disbursements				59,034.37
Cash Balance, Current Report (October 31, 2024)				**146,719.19**
Accounts Receivable				
Receivables from Members - Exhibit C			5,397.50	
Grant Receivables:				
SGMA Grant - Inv #7		409,039.77		
Grant Receivable - see Exhibit D			409,039.77	
Total Receivables				**414,437.27**
Accounts Payable				
See Attached A/P Detail - Exhibit E				88,299.17
Less November payables submitted for payment				(76,213.94)
Accrued Payables - SGMA Planning grant - Exhibit E				421,137.77
Total Accounts Payable and Accrued Payables				**433,223.00**
Net Assets, October 31, 2024				**$ 127,933.46**

Exhibit B

Kern Non-Districted Land Authority

Accountant's Report - Subsequent Deposits through November 19, 2024

	Dep Date	Amount
No Subsequent Deposits through November 19, 2024		
Deposits - Other		-
Total Deposits (thru 11/19/24)		**$ -**

Exhibit C

Kern Non-Districted Land Authority

Accountant's Report - Accounts Receivable detail as of October 31, 2024

Customer	Description	Invoice #	Invoice Date	Invoice Amount
Eastside Water Mgmt Area	2024 KNDLA Initial Cash Call	KNDLA4	9/8/2024	5,397.50
	TOTAL RECEIVABLES from MEMBERS @ 10/31/24			**$ 5,397.50**

Exhibit D

Kern Non-Districted Land Authority

Accountant's Report - Grant Detail as of October 31, 2024

Agency	Description		Date of Submittal	Invoice Amount	Amount Received	Date Received	Rem. Balance Due	Retention %
DWR	SGMA Grant	(Inv #7)	6/26/2024	409,039.77	-	-	409,039.77	100%
				SGMA GRANTS OUTSTANDING as of 10/31/2024			**409,039.77**	
				TOTAL GRANTS OUTSTANDING as of 10/31/24			**409,039.77**	

Exhibit E

Kern Non-Districted Land Authority

Accountant's Report - Accounts Payable detail as of October 31, 2024 and subsequent payables through 11/20/24

Vendor	Description	Invoice #	Invoice Date	Invoice Amount	
Andrea R. Hill CPA AAC	September Services for October Meeting	34354	10/31/2024	$ 1,000.00	
Paris Kincaid Wasiewski, LLP	October Legal Services	2655	10/31/2024	$ 9,453.50	
Provost & Pritchard Consulting Group	September & October Services	114286,114287, 114795	10/25-10/31	$ 1,631.73	
Cawelo Water District	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Eastside Water Management Area	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Kern County Water Agency	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Kern Tulare Water District	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Kern Water Bank Authority	KGA refund	N/A	11/4/2024	$ 5,843.38	November
North Kern Water Storage District	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Rosedale-Rio Bravo WSD	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Semitropic Water Storage District	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Shafter-Wasco 7th Standard Annex	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Shafter-Wasco Irrigation District	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Southern San Joaquin MUD	KGA refund	N/A	11/4/2024	$ 5,843.38	November
West Kern Water	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Westside District Water Authority	KGA refund	N/A	11/4/2024	$ 5,843.38	November
Kern County Farm Bureau	replaces check 3139 issued 7/15/24	N/A	11/13/2024	$ 250.00	November
	TOTAL PAYABLES REQUESTED AT THIS MEETING			**$ 88,299.17**	

INVOICES ON HOLD:

SGMA Planning Grant (Pending Grant Submittal/Proceeds):

Arvin Edison Water Storage District	SGMA Implementation Grant	Jan-Mar	6/26/2024	50,204.99	100% grant; to be submitted
Eastside Water Management Area	SGMA Implementation Grant	Jan-Mar	6/26/2024	635.00	100% grant; to be submitted
Land IQ LLC	SGMA Implementation Grant	5822-Jan	6/26/2024	73,243.95	100% grant; to be submitted
	SGMA Implementation Grant	5882-Feb	6/26/2024	73,243.95	100% grant; to be submitted
	SGMA Implementation Grant	5933-Mar	6/26/2024	73,243.95	100% grant; to be submitted
Provost & Pritchard	SGMA Implementation Grant	107371	2/20/2024	2,019.60	100% grant; to be submitted
	SGMA Implementation Grant	104944	3/13/2024	1,276.00	100% grant; to be submitted
	SGMA Implementation Grant	109261	4/23/2024	603.40	100% grant; to be submitted
	SGMA Implementation Grant	109722	5/14/2024	1,051.00	100% grant; to be submitted
	SGMA Implementation Grant	110652	5/31/2024	1,303.80	100% grant; to be submitted
	SGMA Implementation Grant	111520	7/18/2024	2,621.20	100% grant; to be submitted
	SGMA Implementation Grant	112324	7/31/2024	1,338.20	100% grant; to be submitted
	SGMA Implementation Grant	112968	8/31/2024	1,445.20	100% grant; to be submitted
	SGMA Implementation Grant	113756	9/30/2024	1,134.40	100% grant; to be submitted
	SGMA Implementation Grant	114609	10/31/2024	3,204.20	100% grant; to be submitted
Todd Groundwater	SGMA Implementation Grant	83501-224	6/26/2024	42,360.00	100% grant; to be submitted
	SGMA Implementation Grant	83501-324	6/26/2024	20,101.25	100% grant; to be submitted
	SGMA Implementation Grant	83501-424	6/26/2024	14,611.25	100% grant; to be submitted
	SGMA Implementation Grant	91159501	5/2/2024	29,916.00	100% grant; to be submitted
West Kern Water District	SGMA Implementation Grant	Jan-Mar	6/26/2024	8,317.28	100% grant; to be submitted
Wheeler Ridge-Maricopa Water Dist	SGMA Implementation Grant	Jan-Mar	6/26/2024	19,263.15	100% grant; to be submitted
				421,137.77	

PAYABLES/INVOICES ON HOLD pending Grant Proceeds	**$ 421,137.77**
TOTAL PAYABLES Outstanding at 11/19/24	**$ 509,436.94**
LESS NOVEMBER PAYABLES SUBMITTED FOR PAYMENT	**(76,213.94)**
TOTAL PAYABLES Outstanding at 10/31/2024	**$ 433,223.00**

Kern Non-Districted Land Authority
Exhibit F - Statement of Net Position
As of October 31, 2024

	Oct 31, 24	
ASSETS		
Current Assets		
Checking/Savings		
Valley Strong Checking		146,714.19
Valley Strong Savings		5.00
Total Checking/Savings		146,719.19
Accounts Receivable		
Accounts Receivable		5,397.50
Total Accounts Receivable		5,397.50
Other Current Assets		
Accounts Receivable - Grants		
KGA - SGMA	409,039.77	
Total Accounts Receivable - Grants		409,039.77
Total Other Current Assets		409,039.77
Total Current Assets		561,156.46
TOTAL ASSETS		**561,156.46**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		433,223.00
Total Accounts Payable		433,223.00
Total Current Liabilities		433,223.00
Total Liabilities		433,223.00
Equity		
Net Assets		
GSP - SAA#4	60,124.65	
ITRC - SAA#1	-13,626.47	
KGA - General	103,959.47	
KRGSA-RMC (Ph2)	24.69	
KRGSA-Todd GW	20.00	
Total Net Assets		150,502.34
Net Income		-22,568.88
Total Equity		127,933.46
TOTAL LIABILITIES & EQUITY		**561,156.46**

No Assurance is Provided. All Required Discolsures Have Been Omitted.

Kern Non-Districted Land Authority
Exhibit F - Statement of Revenues & Expenses
October 2024

	Oct 24	Jan - Oct 24
Income		
Grant - State	0.00	1,056,182.69
Member Contributions	0.00	107,950.03
Total Income	0.00	1,164,132.72
Expense		
Office Supplies	0.00	159.90
Other Outside Services		
General Administration Support	613.53	1,297.01
General Technical Support	0.00	8,512.92
Grant Administration	4,431.50	7,112.10
Rent Expense	0.00	1,750.00
Website Management	841.90	3,088.50
Other Outside Services - Other	0.00	1,058,468.67
Total Other Outside Services	5,886.93	1,080,229.20
Professional - Legal	9,453.50	96,975.00
Professional Fees - Accounting	1,000.00	9,337.50
Total Expense	16,340.43	1,186,701.60
Net Income	**-16,340.43**	**-22,568.88**

No Assurance is Provided. All Required Disclosures Have Been Omitted.

COMMITTEE REPORT

Date: October 28, 2024

To: KNDLA Board of Directors

From: White Area Representative Ad Hoc

Subject: Non-Districted Land Representative(s) Process Recommendations

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Summary:

The KNDLA Joint Powers Agreement (JPA) section 4.1 requires the Board of Directors include "two representatives for owners of Non-Districted Land." The JPA requires appointment "following recommendation(s) from Members or owners of Non-Districted Land." However, the JPA does not otherwise provide a process for obtaining recommendations or appointing Non-Districted Representatives (NDR). This ad hoc committee examined different options for outreach, recommendations / nominations, voting, term limits, vacancy and removal.

Recommendations:

Outreach:

- Post solicitation for NDR recommendations on the KNDLA website with link to NDR recommendation / nomination form.

- Develop map outlining the white area (completed).
    - Give directions on the KNDLA website to assist landowners with APN lookup.

Recommendations / Nominations

- Submission of completed recommendation / nomination form (attached)

    - Submission: email Rachelle / or admin email
    - Eligibility: Must own land or represent landowner in KNDLA jurisdiction
    - Closure: Nov. 18, 2024 (the Monday prior to the Nov. meeting)

Voting:

[Standard two vote option]
Each voting KNDLA board member shall vote for two recommended candidates; the candidates with the most votes and second most votes will be appointed. The two votes may not be cast for a single candidate, only one vote per voting Board member may be cast for each candidate. In the case of a tie for the most votes, both candidates will be appointed. In the case of a tie for the second most votes, the KNDLA board shall take another vote between these two candidates, with each voting member casting a single vote. The candidate with the most votes for this second vote shall be appointed.

Term Definition and Limits:

- Each appointment will be for a term of two years, there will be no limit to the number of these two-year terms.

Vacancy:

- Vacancies will be filled by the same nomination and approval process set forth above.

Removal:

- Appointed representatives may be removed by a 75% affirmative vote on a noticed motion.

Kern Non-Districted Land Authority
Non-Districted Land Representative Candidate Nomination Form

Two Non-districted Land Representatives will be appointed by the Board following recommendation(s) from Members or owners of Non-Districted Land. There will not be a representative for any Associate Member on the Board of Directors, although a person affiliated with an Associate Member may be appointed to serve on the Board as a representative for owners of Non-Districted Land.

Candidate Information (name, address, APN)

Land use (if applicable)

Ranching ☐ Agriculture ☐

Oil ☐ Other ☐

Candidate Background / History

Posting: https://kerngwa.com/resources-outreach/

Deadline: November 18, 2024

Submit: recheverria@rrbwsd.com

KERN NON-DISTRICTED LAND AUTHORITY
1518 Milll Rock Way, Suite 100 Bakersfield, CA 93311
Phone: (661)589-6045
Email: admin@rrbwsd.com
Website: www.kerngwa.com

November 22, 2024

Angela Cruz
Grant Manager
California Department of Water Resources
PO Box 942836
Sacramento, CA 94236-0001

RE: Formal Amendment Request No. 2
Grant Agreement No. 4600014650

Dear Angela,

Kern Groundwater Authority would like to request an amendment to the project work plan for Components 2 and 5 within the Sustainable Groundwater Management Act (SGMA) Implementation Grant (No. 4600014650).

Component 2 would like to include preparation of a subsidence study and development of the basin setting sections for the Amended Kern County Subbasin GSP in response to the Inadequate Determination Letter from DWR. This scope change would not require a change to the budget. Component 2 has a total budget of $2,910,450. Category (b) has $2,567,390 and Category (e) has $343,060 budgeted. To date, Todd Groundwater, Hydrolytics, LLC, and Aquilogic received a contract for the original scope in the amount of $2,559,450 leaving the remaining $351,000 of grant budget which was set aside to cover unspecified costs to address emerging issues encountered during the Basin Study or for addressing deficiencies identified by DWR Determination Letters. The following table provides a breakdown of the assignment of the Component 2 budget between the various contracts along with the remaining portion not yet assigned.

Contracting Firm	**Contract Total**
Original Scope (Todd Groundwater & Hydrolytics, LLC)	$2,385,450
Subsidence Study (Aquilogic)	$174,000
Amended GSP Basin Setting (Todd Groundwater)	$275,000
Basin Study Emerging Issues (not yet assigned)	*$76,000*
Grant Component 2 Total Budget	**2,910,450**

Component 2 will request a budgetary revision when the project is complete and all outreach is completed. The consultant has been performing engagement and outreach under the Category b contract and has not been separating their time for Category e. Consultant will now separate outreach expenses as possible. The deliverables for Category e will remain in place and continue to be developed as meetings are scheduled.

Previously, Component 5 requested a workplan amendment. They decided not to pursue the equipment purchase and the request has been withdrawn.

Enclosed is the amended Project Work Plan document for your review.

Please direct questions regarding the Project Formal Amendments to Gretchen Heisdorf at Provost & Pritchard Consulting Group at (559) 449-2700.

Sincerely,

Barry Watts
KNDLA Chairman

Enclosures: (1) – Formal Amendment Request Documentation for Component 2

cc: File, Kern Non-Districted Land Authority, Provost & Pritchard Consulting Group

GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA

(DEPARTMENT OF WATER RESOURCES) AND

KERN NON-DISTRICTED LANDS AUTHORITY AGREEMENT NUMBER 4600014650

SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or “DWR” and the Kern Non-Districted Lands Authority , in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

1. PURPOSE. The State shall provide funding from the Budget Act of 2021 (Stats. 2021, ch. 240, § 80) to the Grantee to assist in financing the Kern Subbasin Spending Grant Project (Project). By executing this Agreement, the Grantee certifies that the purpose of the Project is to implement SGMA as outlined in the Grantee’s Groundwater Sustainability Plan (GSP) or Alternative to a GSP. The provision of State funds pursuant to this Agreement shall not be construed or interpreted to mean that the Groundwater Sustainability Plan (GSP) or Alternative to GSP, or any components of the GSP, implemented in accordance with the Work Plan as set forth in Exhibit A will be: adopted by the applicable Groundwater Sustainability Agency (GSA); obtain the necessary desirable results of Sustainable Management Criteria; or, meet all of the evaluation and assessment criteria when submitted to DWR as required by the SGMA and implementing regulations.
2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the execution date and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by APRIL 30, 2025, and no funds may be requested after JUNE 30, 2025.
3. GRANT AMOUNT. The maximum amount payable by the State under this Agreement shall not exceed $7,600,000.
4. GRANTEE COST SHARE. Not applicable.
5. BASIC CONDITIONS. The State shall have no obligation to disburse money for the Project under this Grant Agreement until the Grantee has satisfied the following conditions:
   A. The Grantee must demonstrate compliance with all eligibility criteria set forth on Pages 7 through 13 of the *SGM Grant Program 2021 Guidelines* (2021 Guidelines).
   B. For the term of this Grant Agreement, the Grantee submits Quarterly Progress Reports, associated quarterly invoices, and all invoice backup documentation no later than sixty (60) days following the end of the calendar quarter (e.g., submitted by May 30th, August 29th, November 29th, and February 28th) and all other deliverables as required by Paragraph 12, “Submission of Reports” and Exhibit A, “Work Plan”.
   C. Prior to the commencement of construction or implementation activities, if applicable, the Grantee shall submit the following to the State:
      i. Final plans and specifications certified by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for each approved project as listed in Exhibit A, “Work Plan” of this Grant Agreement.
      ii. Work that is subject to the California Environmental Quality Act (CEQA) process and/or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
         a. The Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form (EIF) to the State,
         b. Documents that satisfy the CEQA process are received by the State,
         c. The State has completed its CEQA compliance review as a Responsible Agency, and
         d. The Grantee receives written concurrence from the State of Lead Agency’s CEQA document(s) and State notice of verification of environmental permit submittal.

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

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

6. DISBURSEMENT OF FUNDS. The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.

7. ELIGIBLE PROJECT COST. The Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget". Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after DECEMBER 17, 2021, shall be eligible for reimbursement.

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

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

(i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.

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

   Invoices submitted by the Grantee shall include the following information:

   A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice. If backup documentation provided is outside of the period identified in the particular invoice, the Grantee must provide justification within the associated Quarterly Progress Report and note the discrepancy on the Invoice Submittal Summary Sheet.

   B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.

   C. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:

      i. Invoices must contain the date of the invoice, either the time period covered by the invoice or the invoice date received within the time period covered, and the total amount due.

      ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B, "Budget". The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).

      iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.

      iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount".

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

   All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any

invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs/cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds. Additionally, the State may request an audit pursuant to Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

9. WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that the Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 10, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately at the time the State notifies the Grantee, as directed by the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 10. If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.
10. DEFAULT PROVISIONS. The Grantee will be in default under this Grant Agreement if any of the following occur:
    A. Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
    B. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
    C. Failure to operate or maintain the Project in accordance with this Grant Agreement.
    D. Failure to make any remittance required by this Grant Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
    E. Failure to submit quarterly progress reports pursuant to Paragraph 5.
    F. Failure to routinely invoice the State pursuant to Paragraph 8.
    G. Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

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

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

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

11. CONTINUING ELIGIBILITY. The Grantee must meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2021 Guidelines to remain eligible to receive State funds:

    A. The Grantee must continue to demonstrate eligibility and the groundwater basin must continue to be an eligible basin as outlined in the 2021 Guidelines and 2021 PSP.

    B. Grantee must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.

    C. If the Grantee diverting surface water, the Grantee must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.

    D. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).

    E. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq.

    F. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

12. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. All reports shall be submitted to the State's Grant Manager, and shall be submitted via DWR's "Grant Review and Tracking System" (GRanTS), or an equivalent online submittal tool. If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F, "Report Formats and Requirements." The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.

    A. Quarterly Progress Reports: The Grantee shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be uploaded via GRanTS, or an equivalent online submittal tool, and the State's Grant Manager notified of upload. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, the Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Quarterly Progress Report and associated quarterly invoice should be submitted to the State no later than NOVEMBER 30, 2022, with future reports then due on successive three-month increments based on the invoicing schedule and this date. The DWR Grant Manager will provide a Quarterly Progress Report template that shall be used for the duration of the Agreement.

B. Groundwater Sustainability Plan or Alternative: The Grantee shall ensure that any updates to the GSP or Alternative shall be formatted, drafted, prepared, and completed as required by the GSP Regulations, and in accordance with any other regulations or requirements that are stipulated through SGMA.

C. Component Completion Report(s): The Grantee shall prepare and submit to the State a separate Component Completion Report for each component included in Exhibit A, "Work Plan". The Grantee shall submit a Component Completion Report within ninety (90) calendar days of component completion or before the work completion date in Paragraph 2, whichever is earliest. Each Component Completion Report shall include, in part, a description of actual work done, any changes or amendments to each component, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Component Completion Report shall also include, if applicable, certification of final component by a California Registered Civil Engineer (or equivalent registered professional as appropriate), consistent with Standard Condition D.18, "Final Inspections and Certification of Registered Civil Engineer". A DWR "Certification of Project Completion" form will be provided by the State.

D. Grant Completion Report: Upon completion of the Project included in Exhibit A, "Work Plan" the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Completion Report for the final project to be completed under this Grant Agreement, as outlined in Exhibit F, "Report Formats and Requirements". Retention for the last project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to be approved by the State. The Grantee must submit the draft Grant Completion Report to the DWR Grant Manager for comment and review 90 days before the work completion date listed in Paragraph 2. DWR's Grant Manager will review the Draft Grant Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Completion Report addressing the DWR Grant Manager's comments prior to the work completion date listed in Paragraph 2. The Grantee must obtain the DWR Grant Manager's approval of the report within 30 days after the work completion date.

E. Post-Performance Reports (PPRs): The Grantee shall submit PPRs to the State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the completed project begins operation.

F. Deliverable Due Date Schedule: The Grantee shall submit a Deliverable Due Date Schedule within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the Deliverable Due Date Schedule has been received by the DWR Grant Manager. Any edits to the schedule must be approved by the DWR Grant Manager and the revised schedule saved in the appropriate project files.

G. Environmental Information Form (EIF): Prepare and submit the EIF within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the EIF has been received by the DWR Grant Manager.

13. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by the State, the Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. The Grantee or their successors may, with the written approval of the State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable

for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of the Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 10, "Default Provisions."

14. PROJECT MONITORING PLAN REQUIREMENTS. As required in Exhibit A, "Work Plan", a Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. The Monitoring Plan should incorporate Post Performance Monitoring Report requirements as defined and listed in Exhibit J, "Monitoring and Maintenance Plan Components". The SGM Grant Program has developed post construction monitoring methodologies that shall be used for the Post Performance Reporting.
15. STATEWIDE MONITORING REQUIREMENTS. The Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Wat. Code, § 10780 et seq.) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G, "Requirements for Data Submittal" for web links and information regarding other State monitoring and data reporting requirements.
16. NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
    A. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
    B. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State's representatives. The Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
    C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
    D. The initiation of any litigation or the threat of litigation against the Grantee regarding the Project or that may affect the Project in any way.
    E. For implementation/construction Projects, final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with Standard Condition D.18, "Final Inspections and Certification of Registered Civil Engineer." The Grantee shall notify the State's Grant Manager of the inspection date at least fourteen (14) calendar days prior to the inspection in order to provide the State the opportunity to participate in the inspection.
17. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
    A. By delivery in person.
    B. By certified U.S. mail, return receipt requested, postage prepaid.

C. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.

D. By electronic means.

E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

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

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

Department of Water Resources

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

Kern Non-Districted Lands Authority

Jason Gianquinto
General Manager, Semitropic Water Storage District
1101 Central Ave.
Wasco CA 93280
Phone: 661-758-5113
Email: jgianquinto@semitropic.com

Direct all inquiries to the Grant Manager:

Department of Water Resources

Angela Cruz
Engineer
P.O. Box 942836
Sacramento, CA 94236-0001
Phone: (916) 902-6680
Email:angela.cruz@water.ca.gov

Kern Non-Districted Lands Authority

Jason Gianquinto, General Manager, Semitropic Water Storage District
1101 Central Ave. Wasco CA 93280 Phone: 661-758-5113 Email: jgianquinto@semitropic.com

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

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

Exhibit A– Work Plan

Exhibit B– Budget

Exhibit C– Schedule

Exhibit D– Standard Conditions

Exhibit E– Authorizing Resolution Accepting Funds

Exhibit F– Report Formats and Requirements

Exhibit G– Requirements for Data Submittal

Exhibit H– State Audit Document Requirements and Funding Match Guidelines for Grantees

Exhibit I– Project Location

Exhibit J– Monitoring and Maintenance Plan Components

Exhibit K– Local Project Sponsors

Exhibit L– Appraisal Specifications

Exhibit M– Information Needed for Escrow Process and Closure

Exhibit N– Project Monitoring Plan Guidance

Exhibit O– Invoice Guidance for Administrative and Overhead Charges

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

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

_____

Arthur Hinojosa
Manager, Division of Regional Assistance

Date_____

KERN NON-DISTRICTED LANDS AUTHORITY

_____

Barry Watts
Chair

Date_____

Approved as to Legal Form and Sufficiency

_____for

Robin Brewer
Assistant General Counsel,
Office of the General Counsel

Date_____

Exhibit A

WORK PLAN

Project Title: Kern Subbasin (Basin) Spending Grant Projects (Project)

Project Description: The Work Plan includes activities associated with the planning, development, and installation/converted monitoring wells for the of the Kern Subbasin (Basin). The result will incorporate a more complete understanding of the groundwater subbasin to support long-term sustainable groundwater management.

The Work Plan includes five Components:

Component 1: Grant Agreement Administration
Component 2: Kern County Subbasin – Basin Study
Component 3: Kern County Subbasin – Evapotranspiration Analysis & Study – Field by Field
Component 4: Subsidence Investigation and Study - Priority Area #1
Component 5: New or Converted Monitoring Wells

COMPONENT 1: GRANT ADMINISTRATION

Category (a): Grant Agreement Administration

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

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

Prepare the Draft Grant Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the work completion date. DWR's Grant Manager will review the Draft Grant Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Completion Report addressing the DWR Grant Manager's comments prior to the work completion date. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the work completion report. All deliverables listed within the Work Plan shall be submitted with the Final Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

<u>Deliverables:</u>

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

COMPONENT 2: BASIN STUDY

Develop a systematic technical analysis to better represent and understand the flow of groundwater and surface water into, through and out of the Kern subbasin. Component 2 will address data gaps in the California Central Valley Groundwater-Surface Water Simulation (C2VSim) model provided by DWR. The C2VSim will be upgraded with the data collected from the Basin Study that will help to calibrate the water model on an annual basis. Component 2 will supply the data that will help calibrate the C2VSim, which supports addressing sustainable groundwater supplies. Component 2 will update data for the C2VSim for local drinking water supplies including small water systems and domestic wells. Component 2 will help to improve groundwater characterization on the eastern and western margins of the subbasin. This Basin Study will improve streamflow simulations of the Kern River and other creeks, improve simulation of deep percolation and small watersheds, review, and update root zone parameters, and adjust the finite element grid and to calibrate the improved model for the entire basin. Component 2 will include a subsidence study and develop the Basin Setting Sections for the Amended Kern County Subbasin GSP in response to the Inadequate Determination Letter from DWR.

Category (a): Component Administration
Not Applicable to this Component

Category (b): Planning / Design / Environmental
Task 1: Develop Analysis
Develop a systematic, basin wide analysis to address technical data gaps in the hydrogeology of the basin, data gaps in the hydrogeological conceptual model (C2VSim model) as well as improve the understanding of the groundwater response to the weather patterns, implementation of projects and management actions.

Deliverables:

- Technical Memorandum/Report summarizing the Hydrogeological Characterization effort from the C2vSim model

Task 2: Develop Coordinated Basin Setting for Amended GSP
Develop a more coordinated Basin Setting Section for the Amended Kern County Subbasin GSP in response to the DWR Inadequate Determination Letters to relate undesirable results in the Basin Setting more clearly to the development of sustainable management criteria and projects and management actions. The revised Basin Setting will incorporate elements developed under Task 1 that address data gaps identified in the prior GSPs.

Deliverables:

- Revised Basin Setting Sections (Chapters 6, 7, 8 and 9) from Public Review Draft of the Amended Kern County Subbasin GSP

Category (c). Implementation/Construction
Not applicable for this Component.

Category (d): Monitoring / Assessment
Not applicable for this Component.

Category (e): Engagement / Outreach
Conduct data workshops to present to all stakeholders especially disadvantaged communities and all beneficial users.

Deliverables:

- Sign in sheets from outreach meetings
- Outreach Material (i.e., Handouts, fact sheets, newsletters)

COMPONENT 3: KERN COUNTY SUBBASIN – EVAPOTRANSPIRATION ANALYSIS & STUDY – FIELD BY FIELD

Component 3 will build off the data collected from Component 2 by ground truthing the water demand of the basin using remote sensors. Component 3 will further investigate the different crops planted and the best method(s) of meeting water demands based upon the soil types and irrigation practices. The data collected in Component 3 will be imported into the CV2Sim model in addition to the data collected from Component 2 to improve the outputs from the model for use in upcoming GSP Annual Reports and 5-Year Updates.

Category (a): Component Administration
Not Applicable to this Component

Category (b): Planning / Design / Environmental
Compile data related to ground truth the water demand as predicted by the CV2Sim model. Provide a more accurate account of water usage to allow the GSAs to determine a realistic extraction amounts. Provide the GSAs a full water budget for the GSAs to use when considering water markets, native yield amounts, allocations, and extraction limits.

Deliverables:

- Water demand technical memorandum/report

Category (c). Implementation/Construction
Not Applicable for this Component.

Category (d): Monitoring / Assessment
Not Applicable to this Component

Category (e): Engagement / Outreach
Conduct data workshops to present to beneficial users and in the data management system.

Deliverables:

- Sign in sheets from outreach meetings
- Outreach Material (i.e., Handouts, fact sheets, newsletters)

COMPONENT 4: SUBSIDENCE INVESTIGATION AND STUDY – PRIORITY AREA #1

Component 4 consists of purchase, placement, and construction of an extensometer to provide subsidence data along the Friant-Kern Canal (Area of Interest #1). Once Component 4 is completed, the data from this extensometer will be able to provide data on the cause and/or activity that is triggering subsidence in this area as well as the actual rate of subsidence. This will assist in working with the extractors (oil or agricultural) around the California Aqueduct and Friant-Kern Canal within the basin to understand how or if their activities of groundwater extractions are contributing to the subsidence.

Category (a): Component Administration
Not Applicable to this Component

Category (b): Planning / Design / Environmental
Not Applicable to this Component

Category (c). Implementation/Construction
Purchase and construct one extensometer for the ability to compile data.

Deliverables:

- Photo of the equipment and the equipment in place.

Category (d): Monitoring / Assessment
Compile data by strategically placing extensometer which will provide the data necessary to understand and set the Sustainable Management Criteria (SMC) as well as considering the other extraction activities occurring in this basin, such as oil extractions.

Deliverables:

- Memorandum/Report summarizing data

Category (e): Engagement / Outreach
Not Applicable to this Component

COMPONENT 5: MONITORING WELLS

Component 5 will improve the existing monitoring network throughout the Kern subbasin. This will include the ability to video approximately 20 water wells for screening thus provide more accurate data gathering and understanding of the sustainable management criteria set for those wells.

Category (a): Component Administration
Not Applicable to this Component

Category (b): Planning / Design / Environmental
Not Applicable to this Component

Category (c): Implementation / Construction
Improve on the existing monitoring network throughout the Kern subbasin by repairing existing monitoring wells and videoing water wells for screening. Complete a video log of the existing wells to determine necessary repairs.

Deliverables:

- Video log report or technical memo

Category (d): Monitoring / Assessment
Not Applicable to this Component

Category (e): Engagement / Outreach
Not Applicable to this Component

Exhibit B

BUDGET

Grant Title: Kern Subbasin Spending Grant Projects

Grantee: Kern Groundwater Authority

Components	**Grant Amount**
Component 1: Grant Administration	$100,000
Component 2: Basin Study	$2,910,450
Component 3: City Kern County Subbasin – Evapotranspiration Analysis & Study – Field by Field	$2,636,781
Component 4: Subsidence Investigation and Study - Priority Area #1	$1,563,000
Component 5: New or Converted Monitoring Wells	$389,769
Total:	**$7,600,000**

Component 1: Grant Administration

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

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

Budget Categories	Grant Amount
(a) Grant Agreement Administration	$100,000
Total:	**$100,000**

Component 2: Basin Study

Component 2 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

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

Budget Categories	Grant Amount
(a) Component Administration	$0
(b) Planning / Design / Environmental	$2,567,390
(c) Implementation/Construction	$0
(d) Monitoring / Assessment	$0
(e) Engagement / Outreach	$343,060
Total:	**$ 2,910,450**

Component 3: City Kern County Subbasin – Evapotranspiration Analysis & Study – Field by Field

Component 2 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

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

Budget Categories	Grant Amount
(a) Component Administration	$0
(b) Planning / Design / Environmental	$2,550,381
(c) Implementation/Construction	$0
(d) Monitoring / Assessment	$0
(e) Engagement / Outreach	$86,400
Total:	**$ 2,636,781**

Component 4: Subsidence Investigation and Study - Priority Area #1

Component 2 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

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

Budget Categories	Grant Amount
(a) Component Administration	$0
(b) Planning / Design / Environmental	$0
(c) Implementation/Construction	$1,500,000
(d) Monitoring / Assessment	$63,000
(e) Engagement / Outreach	$0
Total:	**$ 1,563,000**

Component 5: New or Converted Monitoring Wells

Component 2 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

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

Budget Categories	**Grant Amount**
(a) Component Administration	$0
(b) Planning / Design / Environmental	$0
(c) Implementation/Construction	$389,769
(d) Monitoring / Assessment	$0
(e) Engagement / Outreach	$0
Total:	**$ 389,769**

Exhibit C

SCHEDULE

Grant Title: Kern Subbasin Spending Grant Projects

Categories	Start Date	End Date
Component 1: Grant Agreement Administration	**April 1, 2022**	**April 30, 2025**
(a) Grant Agreement Administration	April 1, 2022	April 30, 2025
Component 2: Basin Study	**August 1, 2022**	**March 31, 2025**
(a) Component Administration	N/A	N/A
(b) Planning / Design / Environmental	August 1, 2022	March 31, 2025
(c) Implementation/Construction	N/A	N/A
(d) Monitoring / Assessment	N/A	N/A
(e) Engagement / Outreach	August 1, 2022	March 31, 2025
Component 3: City Kern County Subbasin – Evapotranspiration Analysis & Study – Field by Field	**August 1, 2022**	**March 31, 2025**
(a) Component Administration	N/A	N/A
(b) Planning / Design / Environmental	August 1, 2022	March 31, 2025
(c) Implementation/Construction	N/A	N/A
(d) Monitoring / Assessment	N/A	N/A
(e) Engagement / Outreach	August 1, 2022	March 31, 2025
Component 4: Subsidence Investigation & Study Priority Area #1	**January 1, 2023**	**March 31, 2025**
(a) Component Administration	N/A	N/A
(b) Planning / Design / Environmental	N/A	N/A
(c) Implementation/Construction	January 1, 2023	March 31, 2025
(d) Monitoring / Assessment	September 1, 2023	December 1, 2024
(e) Engagement / Outreach	N/A	N/A
Component 5New or Converted Monitoring Wells	**August 1, 2022**	**March 31, 2025**
(a) Component Administration	N/A	N/A
(b) Planning / Design / Environmental	N/A	N/A
(c) Implementation/Construction	August 1, 2022	March 31, 2025
(d) Monitoring / Assessment	N/A	N/A
(e) Engagement / Outreach	N/A	N/A

Date Schedule that has been approved by the DWR Grant Manager. The dates listed in Exhibit C Schedule are date ranges that correlates to the Deliverable Due Date Schedule. Eligible costs for each line item will only be approved if the work completed falls within the date ranges listed in Exhibit C.

Exhibit D

STANDARD CONDITIONS

D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

A. Separate Accounting of Funding Disbursements: the Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.

B. Disposition of Money Disbursed: All money disbursed pursuant to this Grant Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.

C. Remittance of Unexpended Funds: The Grantee shall remit to the State any unexpended funds that were disbursed to the Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from the State to the Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

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

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

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

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

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

D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for this program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State to make any payments under this Grant Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement and the Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant Agreement amendment to the Grantee to reflect the reduced amount.

D.7. CALIFORNIA CONSERVATION CORPS: The Grantee may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.

D.8. CEQA: Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the DWR Grant Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once the State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 10, “Default Provisions.”

D.9. CHILD SUPPORT COMPLIANCE ACT: The Grantee acknowledges in accordance with Public Contract Code section 7110, that:

A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and

B. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

D.10. CLAIMS DISPUTE: Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee’s knowledge of the claim. The State and the Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

D.11. COMPETITIVE BIDDING AND PROCUREMENTS: The Grantee’s contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by the State

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

D.12. COMPUTER SOFTWARE: The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

D.13. CONFLICT OF INTEREST: All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.

A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

C. Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)

D. Employees and Consultants to the Grantee: Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

D.14. DELIVERY OF INFORMATION, REPORTS, AND DATA: The Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.

D.15. DISPOSITION OF EQUIPMENT: The Grantee shall provide to the State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by the State. The inventory shall include all items with a current estimated fair market value of more than $5,000.00 per item. Within 60 calendar days of receipt of such inventory the State shall provide the Grantee with a list of the items on the inventory that the State will take title to. All other items shall become the property of the Grantee. The State shall arrange for delivery from the Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by the State.

D.16. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Grant Agreement, the Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of

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

A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.

B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:

   i. The dangers of drug abuse in the workplace,

   ii. The Grantee's policy of maintaining a drug-free workplace,

   iii. Any available counseling, rehabilitation, and employee assistance programs, and

   iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.

C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Grant Agreement:

   i. Will receive a copy of the Grantee's drug-free policy statement, and

   ii. Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.

D.17. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Grant Agreement, an appropriate easement or other title restriction shall be provided and approved by the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.

Failure to provide an easement acceptable to the State may result in termination of this Agreement.

D.18. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, the Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement.

D.19. GRANTEE'S RESPONSIBILITIES: The Grantee and its representatives shall:

A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A, "Work Plan" and in accordance with Project Exhibit B, "Budget" and Exhibit C, "Schedule".

B. Must maintain eligibility requirements as outlined in the 2021 Guidelines and 2021 PSP and pursuant to Paragraph 11.

C. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.

D. Comply with all applicable California, federal, and local laws and regulations.

E. Implement the Project in accordance with applicable provisions of the law.

F. Fulfill its obligations under the Grant Agreement and be responsible for the performance of the Project.

G. Obtain any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. The Grantee shall provide copies of permits and approvals to the State.

H. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by the State is solely for the purpose of proper administration of funds by the State and shall not be deemed to relieve or restrict responsibilities of the Grantee under this Agreement.

I. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

D.20. GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.21. INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

D.22. INDEMNIFICATION: The Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, and any breach of this Agreement. The Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.

D.23. INDEPENDENT CAPACITY: The Grantee, and the agents and employees of the Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.

D.24. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.

D.25. INSPECTIONS OF PROJECT BY STATE: The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with the State.

D.26. LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current

Department of Industrial Relations (DIR) requirements may be found at: http://www.dir.ca.gov/ lcp.asp. For more information, please refer to DIR's *Public Works Manual* at: http://www.dir.ca.gov/ dlse/PWManualCombined.pdf. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

D.27. MODIFICATION OF OVERALL WORK PLAN: At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement (Level I – Informal). Non-material changes with respect to work plan are changes that help clarify the original language, addition of task without deleting others, and minor edits that will not result in change to the original scope. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.

D.28. NONDISCRIMINATION: During the performance of this Grant Agreement, the Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. The Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. The Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.

D.29. OPINIONS AND DETERMINATIONS: Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

D.30. PERFORMANCE BOND: Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than $25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)

D.31. PRIORITY HIRING CONSIDERATIONS: If this Grant Agreement includes services in excess of $200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.

D.32. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee meet its obligations under this Grant Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State.

D.33. PROJECT ACCESS: The Grantee shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.

D.34. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.

D.35. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

D.36. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.

D.37. RIGHTS IN DATA: The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

D.38. SEVERABILITY: Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.

D.39. SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both if the State determines that:

A. The Grantee, its contractors, or subcontractors have made a false certification, or

B. The Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.

D.40. SUCCESSORS AND ASSIGNS: This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.

D.41. TERMINATION BY THE GRANTEE: Subject to State approval which may be reasonably withheld, the Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, the

Grantee must provide a reason(s) for termination. The Grantee must submit all progress reports summarizing accomplishments up until termination date.

D.42. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 10, "Default Provisions," the State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 10, "Default Provisions."

D.43. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.

D.44. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.

D.45. TIMELINESS: Time is of the essence in this Grant Agreement.

D.46. UNION ORGANIZING: The Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Grant Agreement. Furthermore, the Grantee, by signing this Grant Agreement, hereby certifies that:

A. No State funds disbursed by this Grant Agreement will be used to assist, promote, or deter union organizing.

B. The Grantee shall account for State funds disbursed for a specific expenditure by this Grant Agreement to show those funds were allocated to that expenditure.

C. The Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.

D. If the Grantee makes expenditures to assist, promote, or deter union organizing, the Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that the Grantee shall provide those records to the Attorney General upon request.

D.47. VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.

D.48. WAIVER OF RIGHTS: None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

Exhibit E

AUTHORIZING RESOLUTION ACCEPTING FUNDS

KERN GROUNDWATER AUTHORITY
RESOLUTION NO. 2022-001

RESOLUTION DELEGATING THE CHAIR OF THE AUTHORITY TO APPLY FOR DWR SGMA IMPLEMENTATION GRANT FUNDING

Resolved by the Kern Groundwater Authority, that an application be made to the California Department of Water Resources to obtain a grant under the 2021 Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) (Pub. Resource Code, § 80000 et seq.) and the California Budget Act of 2021 (Stats. 2021, ch. 240, § 80) and to enter into an agreement to receive a grant for the: SGMA Implementation Grant. The Chair of the Kern Groundwater Authority, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement and any future amendments (if required), submit invoices, and submit any reporting requirements with the California Department of Water Resources.

Passed and adopted at a meeting of the Kern Groundwater Authority on January 26, 2022, by the following vote:

AYES: Yurosek, Gaugel, Givens, Fast, Pandol, Brown, Andrew, Unruh, Waterhouse, Brandon Morris, Bloemhof, Gary Morris, Goff, Blaine

NOES: None

ABSTAINING: None

Authorized Original Signature: _____

Printed Name: Dan Waterhouse

Title: Chair

Clerk/Secretary: Patty Poire

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Kern Groundwater Authority held on January 26, 2022.

Clerk/Secretary: Patty Poire

Exhibit F

REPORT FORMATS AND REQUIREMENTS

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

1. QUARTERLY PROGRESS REPORTS

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

2. COMPONENT COMPLETION REPORT

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

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

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

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

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

COSTS AND DISPOSITION OF FUNDS – A list of showing:

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

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

ADDITIONAL INFORMATION – Any relevant additional Information should be included.

3. GRANT COMPLETION REPORT

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

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

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

4. POST-PERFORMANCE REPORT

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

Reports and/or products

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

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

Exhibit G

REQUIREMENTS FOR DATA SUBMITTAL

Surface and Groundwater Quality Data:

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

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

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

Groundwater Level Data

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

Exhibit H

STATE AUDIT DOCUMENT REQUIREMENTS

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

State Audit Document Requirements

Internal Controls

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

State Funding:

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

Contracts:

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

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

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

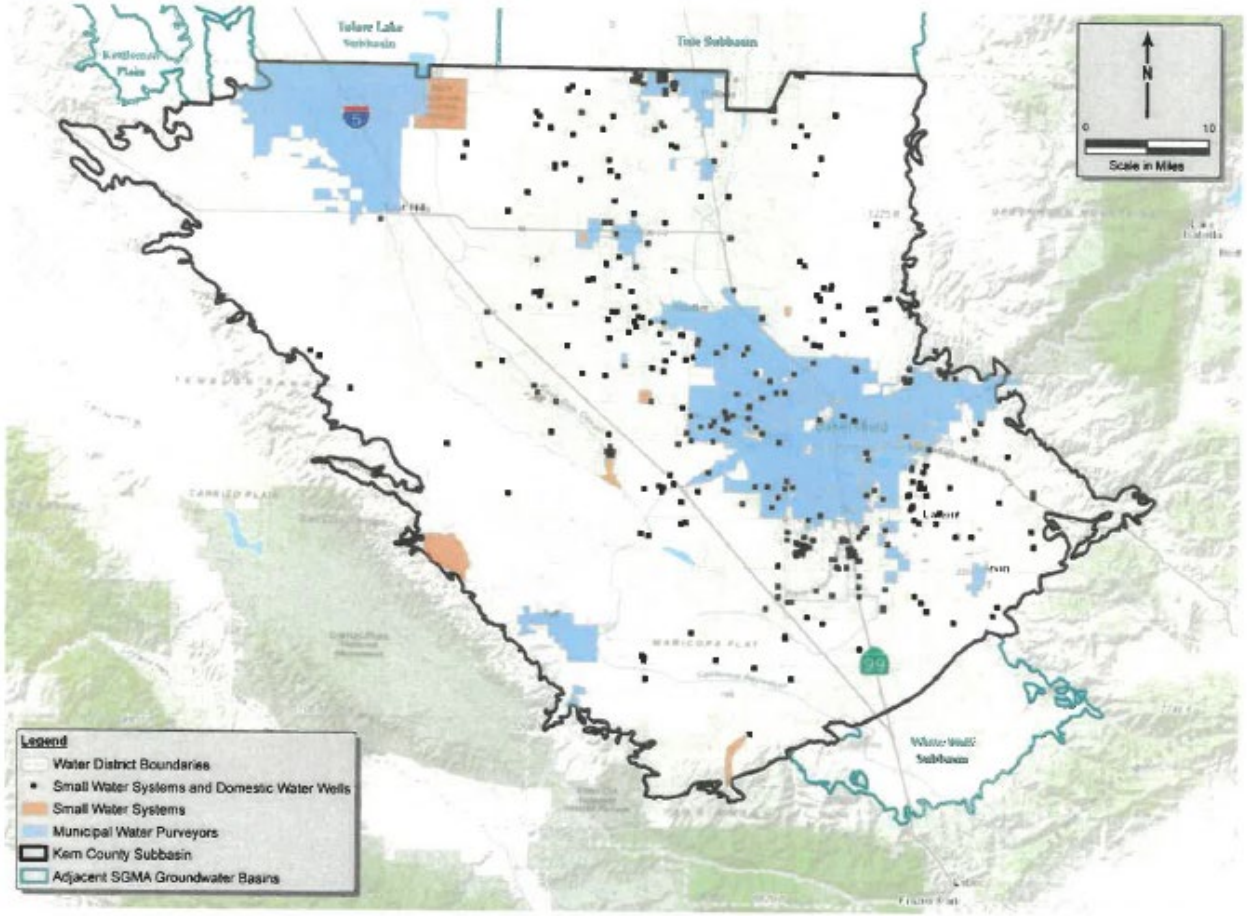
Project Files:

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

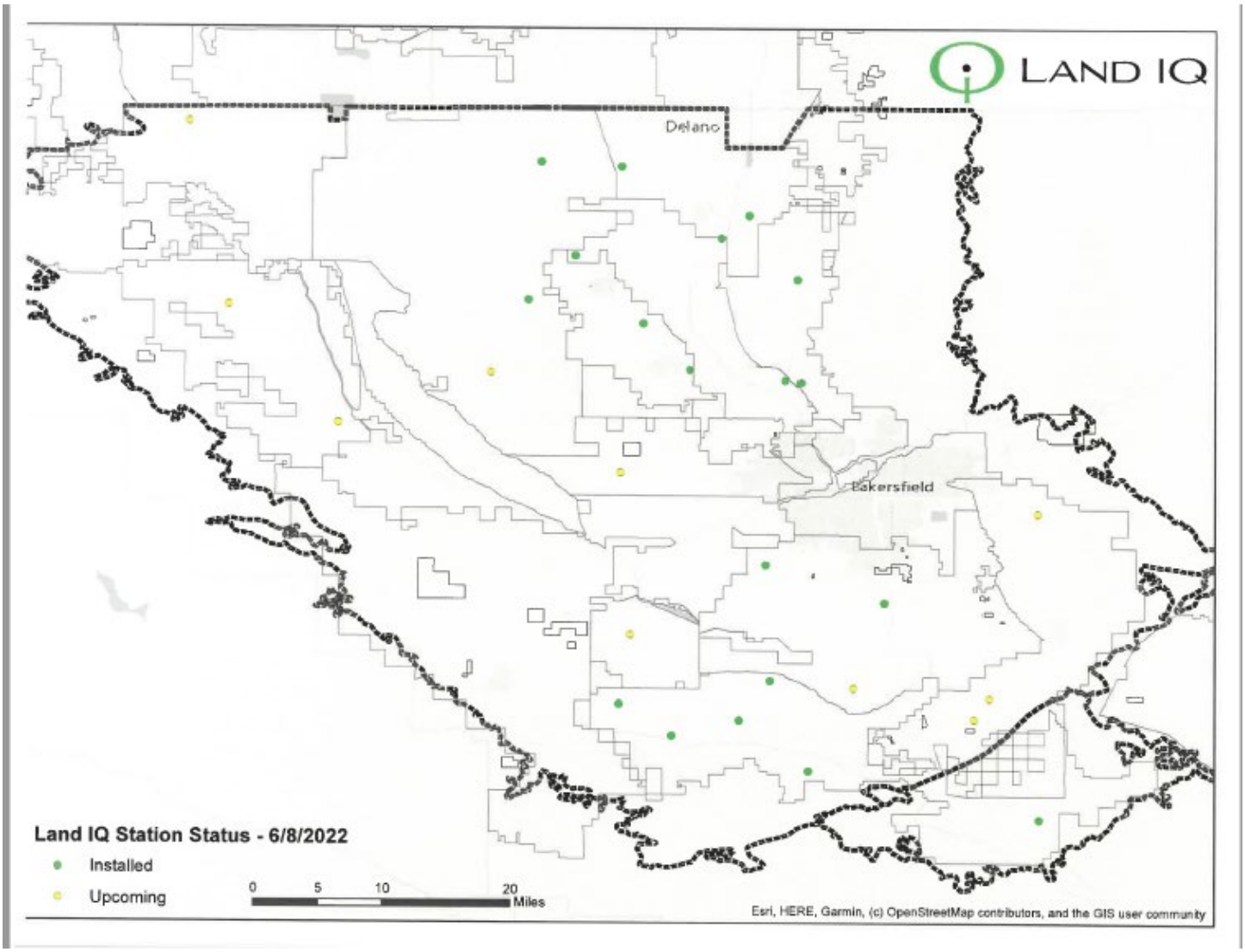
Exhibit I

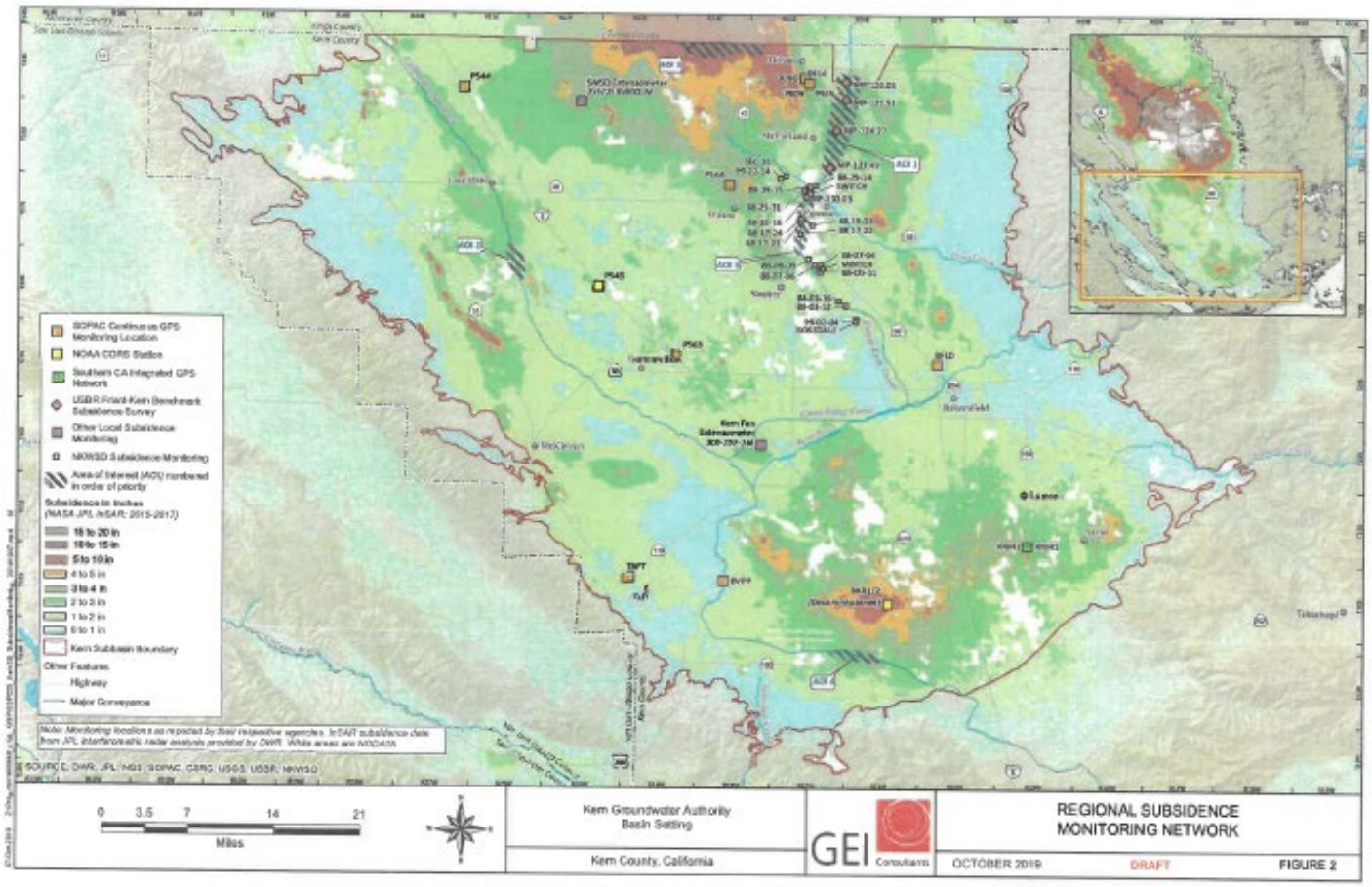
PROJECT LOCATION

Please see the following maps reflecting how Components 2-5 will be for the benefit of the entire Kern subbasin.



The Basin Study will further evaluate small water systems and domestic wells to help policymakers access clean, safe, accessible and affordable drinking water is available for all residents including underrepresented DAC and SDAC areas.


LAND IQ
Delano
Bakersfield
Land IQ Station Status - 6/8/2022
Installed
Upcoming
0
5
10
20
Miles
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



KGA Subsidence Monitoring Memo Figure 1

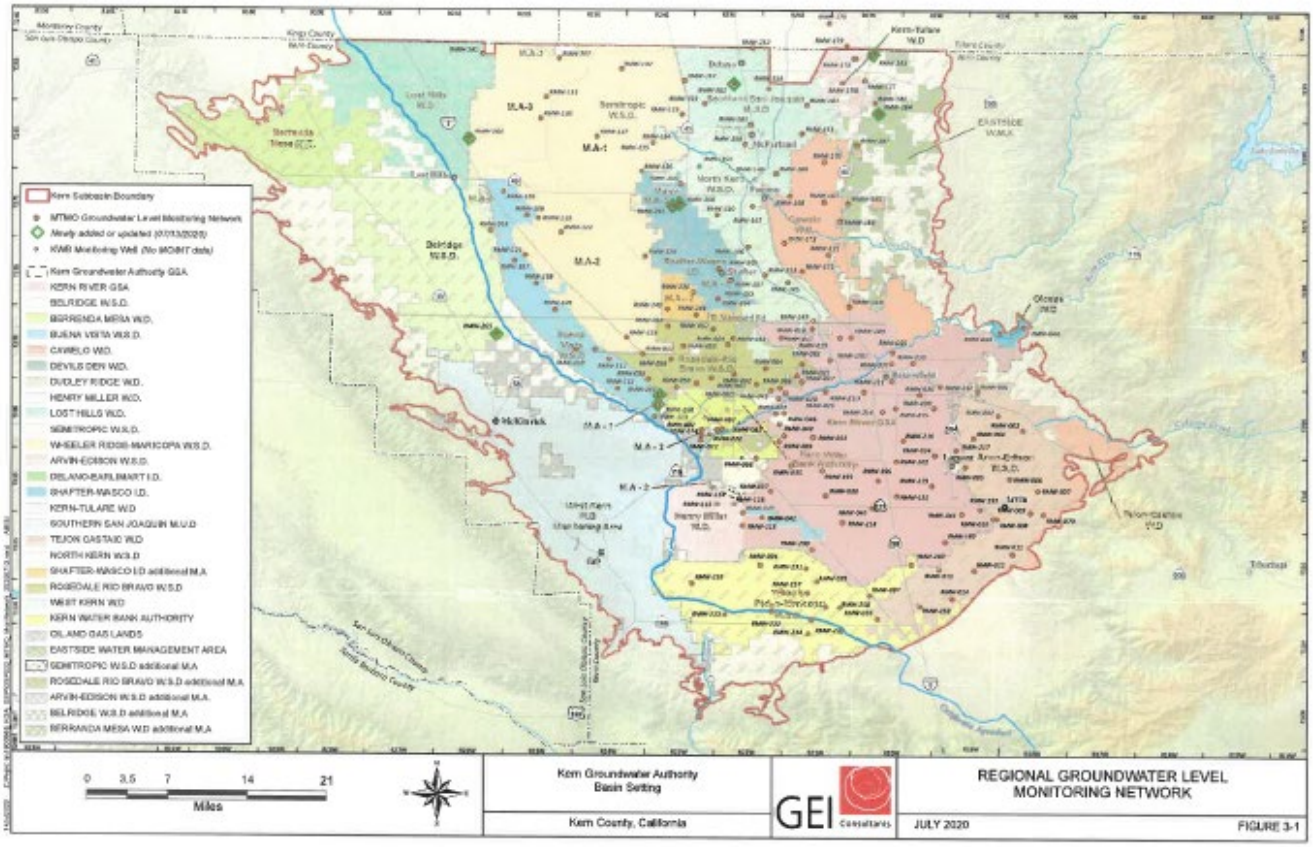

Kern Subbasin Boundary
MTWD Groundwater Level Monitoring Network
Newly added or updated (07/13/2020)
KWB Monitoring Well (No MOINT data)
Kern Groundwater Authority GSA
KERN RIVER GSA
BELRIDGE W.S.D.
BERRENDA MESA W.D.
BUENA VISTA W.S.D.
CAWELO W.D.
DEVILS DEN W.D.
DUDLEY RIDGE W.D.
HENRY MILLER W.D.
LOST HILLS W.D.
SEMITROPIC W.S.D.
WHEELER RIDGE-MARICOPA W.S.D.
ARVIN-EDISON W.S.D.
DELANO-EARLIMART I.D.
SHAFTER-WASCO I.D.
KERN-TULARE W.D
SOUTHERN SAN JOAQUIN M.U.D
TEJON CASTAIC W.D
NORTH KERN W.S.D
SHAFTER-WASCO I.D. additional M.A
ROSEDALE RIO BRAVO W.S.D
WEST KERN W.D
KERN WATER BANK AUTHORITY
OILAND GAS LANDS
EASTSIDE WATER MANAGEMENT AREA
SEMITROPIC W.S.D additional M.A
ROSEDALE RIO BRAVO W.S.D additional M.A
ARVIN-EDISON W.S.D additional M.A.
BELRIDGE W.S.D additional M.A
BERRANDA MESA W.D additional M.A
M.A-3
M.A-1
M.A-2
M.A - 1
M.A - 2
0 3.5 7 14 21
Miles
Kern Groundwater Authority
Basin Setting
Kern County, California
GEI Consultants
REGIONAL GROUNDWATER LEVEL
MONITORING NETWORK
JULY 2020
FIGURE 3-1

Exhibit J

MONITORING AND MAINTENANCE PLAN COMPONENTS

Introduction

- Goals and objectives of project
- Site location and history
- Improvements implemented

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

Exhibit K

LOCAL PROJECT SPONSORS

NOT APPLICABLE

Exhibit L

APPRAISAL SPECIFICATIONS

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

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

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

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

c) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.

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

Exhibit M

INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE

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

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

EXHIBIT N

PROJECT MONITORING PLAN GUIDANCE

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

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

EXHIBIT O

INVOICE GUIDANCE FOR ADMINISTRATIVE AND OVERHEAD CHARGES

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

Administration Charges

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

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

Labor Rates

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

COMMITTEE REPORT

Date: November 25, 2024

To: KNDLA Board of Directors

From: Vanessa Yap

Subject: Kern Subbasin Well Mitigation Program Funding

Summary:

The Kern Subbasin has drafted a Well Mitigation Plan that will accompany the 2024 Kern Subbasin Groundwater Sustainability Plan. Through the development of this plan, the Well Mitigation Subcommittee recommended that the Kern Subbasin GSA's reserve funds to support two years of well mitigation activities. Due to the number of domestic drinking water wells within KNDLA's jurisdiction, a minimum of $280,000 is recommended to be earmarked in reserves to fund this program. The breakdown of contributions is as follows:

General Members		Proposed Well Mitigation Earmark
Arvin-Edison Water Storage District	$	10,000.00
Tejon-Castac Water District	$	10,000.00
Kern-Tulare Water District	$	10,000.00
Wheeler Ridge-Maricopa Water Storage District	$	10,000.00
Kern Delta Water District	$	10,000.00
Kern County Water Agency - Improvement District No. 4	$	10,000.00
Southern San Joaquin Municipal Utility District	$	10,000.00
Shafter-Wasco Irrigation District	$	10,000.00
Shafter-Wasco Irrigation District - 7th Standard Annex	$	10,000.00
North Kern Water Storage District	$	10,000.00
Cawelo Water District	$	10,000.00
Westside District Water Authority	$	10,000.00
Semitropic Water Storage District	$	10,000.00
Kern Water Bank Groundwater Sustainability Agency	$	10,000.00
West Kern Water District	$	10,000.00
Olcese Water District	$	10,000.00
Buena Vista Water Storage District	$	10,000.00
Rosedale-Rio Bravo Water Storage District	$	10,000.00
Kern County Water Agency - Pioneer Project GSA	$	10,000.00
Subtotal	$	190,000.00

Associate Members		Proposed Well Mitigation Earmark
Eastside Water Management Area	$	90,000.00
Subtotal	$	90,000.00
Total KNDLA Well Mitigation Earmark	$	280,000.00

Recommendation:

All General Members of KNDLA shall earmark $10,000 in their individual reserves to support two years of well mitigation activities for a total of $190,000 and Associate Member Eastside Water Management Area shall earmark $90,000 in their reserves to support two years of well mitigation activities.