KERN NON-DISTRICTED LAND AUTHORITY

(FORMERLY KERN GROUNDWATER AUTHORITY)

3200 Rio Mirada Drive, Bakersfield, CA 93308
Meeting of the Board of Directors
July 27, 2026, 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/87916828311?pwd=MXovFd9w4IFdX8AnOTJBUbbKBagIaC.1
Telephone Dial-in: (669) 900-6833
Meeting ID: 879 1682 8311
Password: 795650

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 with 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. *June 15, 2026

5. **Financial Report**
   a. *Financial Reports and Accounts Payables
   b. *Audit Proposal
   c. *Cash Call Request

6. **Administration**
   a. Executive Director Report
   b. Demand Management Update
      i. Groundwater Allocation Committee Report

7. DWR Grant Administration

a. Report on Grant Administration (Jason)

8. Legal (Valerie)

a. Statewide Update

9. New Business

10. Correspondence

a. County of Kern public comment on Demand Management Report
b. LAFCO request

11. Closed Session

a. Conference with legal counsel – anticipated litigation
Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code Section 54956.9: 2 potential matters. (Potential liability from potential future water district formation and overlapping GSA election; Potential ligation from the Domestic Well Mitigation Program Application).

12. 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 Special Board Meeting Minutes
Kern Non-Districted Land Authority (KNDLA)
Monday, June 15, 2025, at 2:00 p.m.

JPA DISTRICT REPRESENTATIVES AND ALTERNATES PRESENT

Derek Yurosek, AEWSD
Amrit Mangat, BVWSD
Spencer Birch, Cawelo
Wes Shyrock KCWA ID4
Rodney Palla, Kern Delta
Andrew Hart, Kern Tulare
Eric McDaris, Kern Water Bank
Kevin Andrew, North Kern
Jeff Siemens, Olcese
Royce Fast, Pioneer
Barry Watts, Rosedale
Dan Waterhouse, Semitropic
Kris Lawrence, SWID
Kris Lawrence, 7th Standard
Brandon Morris, SSJMUD
Gary Morris, West Kern
Colby Fry, Wheeler Ridge
Devon Yurosek, Non-Districted Land Representative

JPA DISTRICT REPRESENTATIVES AND ALTERNATES BY TELECONFERENCE

Brian Grant
Chad Hathaway
Donna Semar

OTHERS PRESENT/ PARTICIPATING

Jenny Holtermann, KNDLA Executive Director
Valerie Kincaid, Paris Kincaid Wasiewski, LLP
Rachelle Echeverria, RRB
Madison Robinson, KCWA
Dan Raytis, EWMA
Taylor Blakslee, EWMA
Dan Bartel, RRBWD
Dave Hampton, North Kern
Steven Teglia, Kern Delta
Owen Kubit, Provost and Pritchard
Morgan Campbell, Westside
Geoff King, BHK
David Szweyk, BHK

OTHERS VIRTUAL

Alan Doud
Alanna Goodell
Doug Gosling
Greg Hammett
Jason Gianquinto
Kate Zenger
Kern Tulare Water District
Rick Iger
Steve Torigiani

1. **Roll Call**
   Chairman Watts called the meeting to order at 2:01 p.m. after confirming the presence of a quorum, as required by the JPA Agreement.
2. **Flag Salute**
   Completed.
3. **Public Input**
   Mr. Raytis provided a comment regarding EWMA's demand management policy and position.
4. **Approval of Minutes**
   a. A motion was made by Director Hart and seconded by Director Waterhouse to approve the minutes of April 27, 2026, regular board meeting. The motion carried unanimously.
5. **Financial Report**
   a. **April 2026 Financial Report & Accounts Payable**
      Ms. Holtermann reviewed the deposits, monthly bills, and grant balances. A motion was made by Director Yurosek and seconded by Director Fast to approve the April financial report and authorize payment of disbursements as presented. The motion carried unanimously.
      May 2026 Financial Report & Accounts Payable
      Ms. Holtermann reviewed the deposits, monthly bills, and grant balances. A motion was made by Director Hart and seconded by Director Morris to approve the May financial report and authorize payment of disbursements as presented. The motion carried unanimously.
   b. **Subbasin Cost Share Request**
      i. **KNDLA Cash Call Needs**
         Ms. Holterman reviewed the Subbasin's cost share agreement and requested a cash call from the participating GSAs. A motion was made by Director Waterhouse and seconded by Director Hart to approve the cash call needs as presented.
   c. **Audit Presentation**
      The auditors presented the 2023 and 2024 audit reports and answered questions from the Board. The 2023 audit was prepared under the former Kern Groundwater Authority (KGA), while the 2024 audit was prepared under the Kern Non-Districted Lands Authority (KNDLA). Following the discussion, a motion was made by Director Fast and seconded by Director Morris to accept the 2023 KGA audit report. A motion was made by Director Hart and seconded by Director Waterhouse to accept and file the 2024 KNDLA audit report. Both motions carried unanimously. The Board also directed staff to begin preparation for the 2025 audit.
6. **Administration**
   a. **Executive Director Report.**
      Ms. Holtermann provided a report on administrative and SGMA-related activities, including consultant and GSA coordination, Land IQ data review, Demand Management planning, EWMA and LAFCO updates, groundwater monitoring, well permitting, subsidence planning, cost-share agreement revisions, audit coordination, financial management, and Board meeting preparation.
   b. **Demand Management Update**
      i. **Groundwater Allocation Options Overview**
         Mr. Kubit presented the KNDLA Groundwater Allocation Policy, including the long-term plan to gradually ramp down groundwater use by 2040. He reviewed the five phases of the long-term plan, the Phase 1 Groundwater Allocation Options Analysis, key policy topics, and the need for a more detailed water budget. The Board discussed next steps, including accepting comments on the draft report, moving into Phase 2 water

budget/accounting analysis, and using those results to support future allocation policy development. Direction was given to receive comment for 2 weeks.

ii. **Phase 2 and 3 Proposal**

Following the discussion, Director Hart made a motion, and Director Andrew seconded to approve Phases 2 and 3 of the proposal. After further Board discussion, the motion was amended to modify the scope of approval of phase 2. Motion passed unanimously.

7. **Technical Report**
   a. **Consideration Adoption of the Exceedance Policy and associated Action Plan for Land Subsidence – Version 2.0 (June 2026)**

      Ms. Holtermann presented the proposed Exceedance Policy and Land Subsidence Action Plan Version 2.0, which updates the Kern Subbasin's procedures for responding to groundwater level, water quality, and land subsidence exceedances. The revisions were developed to align with DWR's 2026 Land Subsidence Best Management Practices and include updated investigation, reporting, and response requirements. A motion was made by Director Hart and seconded by Director Birch to adopt the Exceedance Policy and associated Action Plan for Land Subsidence – Version 2.0 (June 2026). The motion carried unanimously.
   b. **Land IQ, APN, and Ownership for Field Level Data needs**

      Ms. Holtermann presented a proposal from Land IQ to provide APN and ownership information linked to field-level evapotranspiration data within the KNDLA GSA. Following the discussion, a motion was made by Director Watts and seconded by Director Fast to approve the proposal. The motion carried unanimously.

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

      No Report.
9. **Legal**
   a. **Statewide Update**

      Ms. Kincaid reported on DWR update with the BMP on interconnected surface water guidance. BMP Subsidence committee working on action plan with subbasins. DWR is preparing Prop 4 funding for SGMA related expenses. Kincaid reported on State Water Board update reevaluating SGMA fees and probation subbasins.
10. **New Business**

    None.
11. **Correspondence**

    Ms. Holtermann reported that an email from Famoso Hills was received last Friday regarding a new technical assistance application.
12. **Closed Session**

    Closed session commenced at 3:26 p.m. and concluded at 4:33 p.m. No reportable actions were taken.
13. **Adjournment**

    A motion to adjourn was made by Director Hart and seconded by Director McDaris. The motion carried unanimously, and the meeting was adjourned at 4:33 p.m.

Respectfully submitted,

Jenny Holtermann

ANDREA R. HILL, CPA
An Accountancy Corporation

July 22, 2026

TO: Kern Non-Districted Land Authority

FROM: Andrea R. Hill CPA, AAC

SUBJECT: June 2026 Accountant's Report

DISCUSSION

Exhibit A is the Authority's unaudited financial statements on June 30, 2026. They include a Statement of Net Position as of June 30, 2026, and a Statement of Revenue and Expenses for the one month and six months ended June 30, 2026. 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 B is the Accountant's Report for the Authority's financial activities from June 1, 2026, through June 30, 2026. There were $811.68 deposits during the month. Disbursements totaling $20,606.73 were issued during the month. The cash balance on June 30, 2026, was $284,661.76. There were no subsequent deposits as shown on **Exhibit C**.

The Accounts Receivable balance on June 30, 2026, was $349,717.72; $349,717.72 of which is from the retention of SGMA grant income as shown on **Exhibit D**.

Exhibit E is the details of Accounts Payable and Credit Card Payables for the month of June 2026, reflecting total payables on June 30, 2026, of $410,866.67. Currently, invoices totaling $44,835.04 are submitted for payment approval.

Kern Non-Districted Land Authority
Exhibit A - Statement of Net Position
As of June 30, 2026

	Jun 30, 26	
ASSETS		
Current Assets		
Checking/Savings		
Valley Strong Money Market		257,847.88
Valley Strong Savings		5.00
Valley Strong Checking		26,808.88
Total Checking/Savings		284,661.76
Accounts Receivable		
Accounts Receivable		349,717.72
Total Accounts Receivable		349,717.72
Total Current Assets		634,379.48
TOTAL ASSETS		**634,379.48**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		410,775.38
Total Accounts Payable		410,775.38
Credit Cards		
Valley Strong Visa		91.29
Total Credit Cards		91.29
Total Current Liabilities		410,866.67
Total Liabilities		410,866.67
Equity		
Net Assets		
GSP - SAA#4	60,124.65	
ITRC - SAA#1	(13,626.47)	
KGA - General	(10,781.21)	
KRGSA-RMC (Ph2)	24.69	
KRGSA-Todd GW	20.00	
Total Net Assets		35,761.66
Net Income		187,751.15
Total Equity		223,512.81
TOTAL LIABILITIES & EQUITY		**634,379.48**

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

Kern Non-Districted Land Authority
Exhibit A - Statement of Revenue & Expenses
June 2026

	Jun 26	Jan - Jun 26
Ordinary Income/Expense		
Income		
Grant - State	0.00	492,764.50
Investment Income	811.68	3,459.12
Member Contributions	0.00	360,800.00
Total Income	811.68	857,023.62
Expense		
Administration		
Accounting	1,000.00	6,404.95
Auditor	0.00	13,500.00
Executive Director	3,583.03	24,054.01
Fees	41.67	170.64
General Administration Support	126.40	1,499.58
General Attorney Support	10,840.50	39,420.00
Grant Administration	0.00	9,901.40
Insurance	2,469.67	2,469.67
Interest Expense	1.18	5.65
Website Hosting & Maintenance	96.00	492.00
Total Administration	18,158.45	97,917.90
Demand Management	886.50	34,838.00
Office Expense	90.11	677.74
Technical		
General Technical Support	0.00	5,827.19
GIS	521.60	5,253.00
Grant Outside Services	0.00	473,593.00
Land IQ Irrigated	868.44	3,497.43
Land IQ Nonirrigated	3,158.38	12,660.22
Subbasin Corrdination	20,391.56	32,055.26
Water Quality/Level Sampling	0.00	2,192.73
Total Technical	24,939.98	535,078.83
Mitigation		
Well Mitigation	760.00	760.00
Total Mitigation	760.00	760.00
Total Expense	44,835.04	669,272.47
Net Ordinary Income	(44,023.36)	187,751.15
Net Income	**(44,023.36)**	**187,751.15**

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

Kern Non-Districted Land Authority
Exhibit B - Bank Activity
As of June 30, 2026

Type	Date	Num	Name	Debit	Credit	Balance
Valley Strong Money Market						257,036.20
Deposit	06/30/2026			811.68		257,847.88
Total Valley Strong Money Market				811.68	0.00	257,847.88
Valley Strong Savings						5.00
Total Valley Strong Savings						5.00
Valley Strong Checking						47,415.61
Bill Pmt -Check	06/15/2026	3333	Andrea R. Hill CPA AAC		1,000.00	46,415.61
Bill Pmt -Check	06/15/2026	3334	Holtermann Consulting Corp		4,400.13	42,015.48
Bill Pmt -Check	06/15/2026	3335	Land IQ LLC		4,068.49	37,946.99
Bill Pmt -Check	06/15/2026	3336	Provost & Pritchard Consulting Group		11,047.00	26,899.99
Check	06/15/2026	3337	Valley Strong Credit Union		91.11	26,808.88
Total Valley Strong Checking				0.00	20,606.73	26,808.88
TOTAL				**811.68**	**20,606.73**	**284,661.76**

Kern Non-Districted Land Authority
Exhibit B - Deposit Detail
June 2026

Type	Date	Name	Memo	Amount
Deposit	**06/30/2026**		**Interest**	**811.68**
			Interest	(811.68)
TOTAL				(811.68)

Kern Non-Districted Land Authority
Exhibit B - Check Detail
June 2026

Type	Num	Date	Name	Paid Amount	Original Amount
Bill Pmt -Check	**3333**	**06/15/2026**	**Andrea R. Hill CPA AAC**		**(1,000.00)**
Bill	36906	05/21/2026		(1,000.00)	1,000.00
TOTAL				(1,000.00)	1,000.00
Bill Pmt -Check	**3334**	**06/15/2026**	**Holtermann Consulting Corp**		**(4,400.13)**
Bill	May2026	05/31/2026		(4,400.13)	4,400.13
TOTAL				(4,400.13)	4,400.13
Bill Pmt -Check	**3335**	**06/15/2026**	**Land IQ LLC**		**(4,068.49)**
Bill	7966	06/01/2026		(868.44)	868.44
				(3,158.38)	3,158.38
				(41.67)	41.67
TOTAL				(4,068.49)	4,068.49
Bill Pmt -Check	**3336**	**06/15/2026**	**Provost & Pritchard Consulting Group**		**(11,047.00)**
Bill	131317	05/31/2026		(11,047.00)	11,047.00
TOTAL				(11,047.00)	11,047.00
Check	**3337**	**06/15/2026**	**Valley Strong Credit Union**		**(91.11)**
				(91.11)	91.11
TOTAL				(91.11)	91.11

Kern Non-Districted Land Authority
Exhibit C - Subsequent Deposits
July 1 - 22, 2026

Type	Num	Date	Name	Amount

No Subsequent Deposits to Report

Kern Non-Districted Land Authority
Exhibit D - Accounts Receivable Detail
As of June 30, 2026

Type	Date	Num	Name	Open Balance
State of California - DWR (SGMA Grant)				
Invoice	01/27/2026	13	State of California - DWR (SGMA Grant)	222,788.37
Invoice	02/23/2026	14	State of California - DWR (SGMA Grant)	126,929.35
Total State of California - DWR (SGMA Grant)				349,717.72
TOTAL				**349,717.72**

Exhibit E

Kern Non-Districted Land Authority

Accountant's Report - Accounts Payable detail as of June 30, 2026
and subsequent payables through 07/22/2026

Vendor	Description	Invoice #	Invoice Date		Invoice Amount	
Andrea R. Hill, CPA AAC	May accounting for June meeting	36991	6/11/2026	$	1,000.00	
SGMA CC	Funding request SGMA 26-01	19	6/30/2026	$	11,663.70	
Dee Jaspar and Associates, Inc.	June Service KMEC Project	26-00632	6/30/2026	$	760.00	
Golden State Risk Management	Liability insurance policy 7/1/26-6/30/27	INV-004913	6/2/2026	$	2,469.67	
Holterman Consulting Corp	June executive director services	Jun-26	6/30/2026	$	3,583.03	
Paris Kincaid Wasiewski LLP	May services	3214	6/1/2026	$	2,810.50	
SGMA CC	Funding request SGMA 26-02	20	6/30/2026	$	8,727.86	
Paris Kincaid Wasiewski LLP	June services	3248	6/30/2026	$	8,030.00	
Provost & Pritchard Consulting	May management services	131678	6/22/2026	$	744.00	
Land IQ LLC	July evapotranspiration evaluation	8048	7/1/2026	$	4,068.49	July
Provost & Pritchard Consulting	June water demand & acct analysis	132371	6/30/2020	$	886.50	
Valley Strong Credit Union	June credit card statement	13-3000	6/30/2026	$	91.29	
	TOTAL PAYABLES REQUESTED AT THIS MEETING			$	44,835.04	
INVOICES ON HOLD:						
SGMA Planning Grant (Pending Grant Submittal/Proceeds):						
Provost & Pritchard	SGMA Implementation Grant	125228	10/31/2025		5,594.90	
Provost & Pritchard	SGMA Implementation Grant	125978	11/30/2025		3,852.70	
Provost & Pritchard	SGMA Implementation Grant	127058	12/31/2025		2,253.00	
Provost & Pritchard	SGMA Implementation Grant	127618	1/31/2026		7,776.20	
Provost & Pritchard	SGMA Implementation Grant	128223	2/28/2026		12,606.20	
					32,083.00	
Todd Groundwater	SGMA Implementation Grant	83501-525	1/27/2026		20,130.87	
Todd Groundwater	SGMA Implementation Grant	83501-625	1/27/2026		10,168.75	
Todd Groundwater	SGMA Implementation Grant	83501-725	1/27/2026		10,831.25	
Todd Groundwater	SGMA Implementation Grant	83501-825	1/27/2026		39,338.75	
Todd Groundwater	SGMA Implementation Grant	83501-925	1/27/2026		70,316.25	
Todd Groundwater	SGMA Implementation Grant	83501-1025	1/27/2026		72,002.50	
Todd Groundwater	SGMA Implementation Grant	83501-1125	2/23/2026		48,437.50	
Todd Groundwater	SGMA Implementation Grant	83501-1225	2/23/2026		30,481.25	
Todd Groundwater	SGMA Implementation Grant	83501-126	2/23/2026		36,310.00	
					338,017.12	
	PAYABLES/INVOICES ON HOLD pending Grant Proceeds			$	370,100.12	
	TOTAL PAYABLES Outstanding at 7/22/26			$	414,935.16	
	LESS MAY PAYABLES SUBMITTED FOR PAYMENT				(4,068.49)	
	TOTAL PAYABLES Outstanding at 06/30/26			$	410,866.67	

BARBICH HOOPER KING
DILL HOFFMAN, LLP

July 13, 2026

Board of Directors
Kern Non-Districted Land Authority

We are pleased to confirm our understanding of the services we are to provide Kern Non-Districted Land Authority (the Authority) for the year ended December 31, 2025.

Audit Scope and Objectives

We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of Kern Non-Districted Land Authority as of and for the year ended December 31, 2025. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

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We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

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

Other Services

We will also prepare the financial statements of Kern Non-Districted Land Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

The audit documentation for this engagement is the property of Barbich Hooper King Dill Hoffman and constitutes confidential information. However, we may be requested to make certain audit documentation available to other governmental agencies pursuant to Agency given to it by law or regulation. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Barbich Hooper King Dill Hoffman personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit in August 2026 and issue our report after audit has been completed. Geoffrey B. King is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees are based on the time required by the individuals assigned to the engagement, plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.). Individual hourly rates vary according to the degree of responsibility involved and the skill required. We have proposed our fees for the audits of your financial statements for the years ended December 31, 2025 to be $11,000 - $12,000. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Billings are due upon submission and will accrue interest at 12% per annum on amounts not paid after 30 days. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

Reporting

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

We appreciate the opportunity to be of service to Kern Non-Districted Land Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

BARBICH HOOPER KING DILL HOFFMAN, LLP

By: Geoffrey B. King, CPA

RESPONSE:

This letter correctly sets forth the understanding of **Kern Non-Districted Land Authority**:

Signature: _____

Title: _____

Date: _____

BARBICH HOOPER KING
DILL HOFFMAN, LLP

July 13, 2026

To the Board of Directors
of Kern Non-Districted Land Authority

We are engaged to audit the financial statements of Kern Non-Districted Land Authority for the year ended December 31, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated July 13, 2026, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Management Discussion & Analysis, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We gave significant consideration to the nonattest (nonaudit) services provided, which may reasonably be thought to bear on independence, in reaching the conclusion that independence has not been impaired.

As part of our audit, we will consider the internal control of Kern Non-Districted Land Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of Kern Non-Districted Land Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

P.O. BOX 11171 | BAKERSFIELD, CA 93389

9801 CAMINO MEDIA | SUITE 102 | BAKERSFIELD, CA 93311-1303

(661) 631-1171 OFFICE | (661) 631-0244 FAX | BHKCPAS.com

Planned Scope, Timing of the Audit, Significant Riska and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following as areas of significant risk of material misstatement as part of audit planning:

- The accounting and tracking of income and expenses to specific programs, specifically with regards to member participation and subsequent disbursements from those programs

As of the date of this letter planning has not concluded and modifications may be made to the significant risk areas identified above.

Geoff King is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the board of directors and management of Kern Non-Districted Land Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Barbich Hooper King

BARBICH HOOPER KING
DILL HOFFMAN, LLP

KERN NON-DISTRICTED LAND AUTHORITY
1518 Milll Rock Way, Suite 100 Bakersfield, CA 93311
Phone: (661)595-5514
Email: jenny@kndla.org
Website: www.kndla.org

To: KNDLA Board of Directors

From: Jenny Holtermann

Re: July Cash Call Request

	2026 KNDLA	Actual June 2026	July Cash Call Needs	
ADMINISTRATION				
Executive Director	$ 80,000.00	$ 24,054.01		
General Administration Support	$ 5,000.00	$ 1,499.58		
Insurance	$ 3,000.00	$ 2,469.67		
Grant Administration	-	$ 9,901.40		
Rent	-			
Outreach	$ 20,000.00			
General Attorney Support	$ 100,000.00	$ 39,420.00		
Accounting	$ 12,000.00	$ 6,404.95		
Auditor	$ 3,000.00	$ 13,500.00	$22,500.00	*2023/2024 invoice $13,500. 2025 proposal $12000
Website Hosting and Maintenance	$ 5,000.00	$ 492.00		
Fess, Interest	$ 100.00	$ 170.64		
Communication	$ 300.00			
interest expense		$ 5.65		
ADMIN SUBTOTAL	**$ 228,400.00**	**$ 97,917.90**	**$22,500.00**	
TECHNICAL				
Grant Outside Services	-	$ 473,593.00		
Subbasin Coordination	$ 40,000.00	$ 32,055.26		
Land IQ irrigated	$ 10,200.00	$ 3,497.43		
Land IQ nonirrigated	$ 37,200.00	$ 12,660.22		
Water Quality/Level Sampling	$ 5,000.00	$ 2,192.73		
Annual Report Support	$ 10,000.00			
GIS	$ 10,000.00	$ 5,253.00		
General Technical Support	$ 20,000.00	$ 5,827.19		
Demand Management		$ 34,838.00	$136,000.00	*approved $34,000 Feb 2026 not included in Feb cash call. $62,000 phase 2 approved June. $40,000 phase 3
office expenses		$ 677.74		
TECHNICAL SUBTOTAL	**$ 132,400.00**	**$ 570,594.57**	**$136,000.00**	

KNDLA EXPENSES before mitigation	**$ 360,800.00**	**$ 668,512.47**	**$158,500.00**
MITIGATION- Contingency			
Friant-Kern Mitigation			
Well Mitigation	$ 280,000.00	$ 760.00	$ 760.00
MITIGATION SUBTOTAL	**$ 280,000.00**	**$ 760.00**	**$ 760.00**
KNDLA TOTAL EXPENSES	**$ 640,800.00**	**$ 669,272.47**	**$159,260.00**
REVENUE			
Landowner Assessment			
Member Contributions	$ 360,800.00	$ 360,800.00	$159,260.00
Grant	-	$ 492,764.50	
SGMA Fees	-		
Investment Income		$ 3,459.12	
TOTAL REVENUE	**$ 360,800.00**	**$ 857,023.62**	
TOTAL PROFIT	**-**	**$ 187,751.15**	
1/20 SPLIT ANNUALLY	**$ 18,040.00**		**$ 7,963.00**

cash call approved Feb 2026

*not included in Feb Cash Call, FHE technical asst DJA June $760

KERN NON-DISTRICTED LAND AUTHORITY
1518 Milll Rock Way, Suite 100 Bakersfield, CA 93311
Phone: (661)595-5514
Email: jenny@kndla.org
Website: www.kndla.org

July 2026

To: KNDLA Board of Directors

From: Jenny Holtermann

Re: Executive Director Report, July

Administration

- Coordination with P&P, LSCE and EKI on data gaps still needing to be filled
    - Follow up on potential additional data gaps to fill with EWMA
    - Meeting to review next steps and needs deadlines
- Land IQ review, monthly review and analysis
    - Separation of data and APN needs
- Provost and Pritchard meeting
    - Technical support clarification and needs for TC meeting representatives
    - Additional support of James Fisher experience and expertise
- Demand Management Ad Hoc
    - Ad hoc committee meeting overview of potential policy
    - Phase 1 review and recommendations
    - Phase 2 analysis and ongoing work
- EWMA Meeting
    - Water district formation is still in work
    - Demand management plan process through ad hoc
        - Key policies; pumping fees/penalties, water transfers, baseline/allocation of native yield, long term budget
- Audit coordination and review of materials, proposal meeting
- Coordinate Financial statements, deposits and payables.
    - Cash Call coordination
    - Review of next steps with Andrea Hill office upon Jen's departure
- Board Meeting Agenda and Minutes, prep and coordination

Kern Subbasin SGMA Weekly Friday Managers Meetings, Monday Policy Meetings

- Plan Updates
    - Annual Report Workshop recap
- Data Gaps and Technical analysis
    - Coordination with EWMA and LSCE
- Well Permitting process with Kern County, ongoing
    - Development of guide paths and options for ag/industrial and domestic
- Subsidence Updates
    - GSA approval of Action plan/exceedance policy
    - Policy discussion on undesirable results definition
    - CASP Meeting overview
    - Subsidence watch list within “pool boundaries”
- GWQ Action Plan and exceedance policy
    - Review of Spring WQ results, deadlines of Fall sampling
- Monitoring Well Updates
    - Annual process to update inventory in database to share with DWR
- Grant Options for the subbasin
    - Multi benefit Land Repurposing, Watershed Resilience and Sustainable Groundwater Management office.

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COMMITTEE REPORT

Date: July 6, 2026

To: KNDLA Board of Directors

From: Demand Management Ad Hoc Committee

Subject: Demand Management within KNDLA GSA, Policy considerations

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Summary:

The Kern Non-Districted Lands Authority (KNDLA) encompasses 279,277 total acres, of which 39,420 acres are within the Eastside Water Management Area. Of the total irrigates acreage, approximately 7,599 acres within EWMA and 10,634 acres are within KNDLA. The attached maps outline KNDLA land use and groundwater extraction areas.

The Demand Management Ad Hoc Committee was tasked with providing recommendations on policy alternatives gathered during Phase 1 of the Groundwater Allocations Options Analysis.

Recommended Action: None at this time, informational as allocation study is ongoing.

Options Review Summary:

- Establish KNDLA Goals; demand management with a glide path to 2040 where demand equals supply.
- Native Yield; All lands receive the same native yield. Distribution of native yield on a per acre basis reflects traditional groundwater rights concepts. Only those with developed land should be allowed to use native yield on their property. Unused native yield from undeveloped properties will not be available to the landowner until their land is developed.
- Carryover Water; Not allow carryover of water. Groundwater allocation would expire if not used in one year.
- Water Transfers; While agreeing on the following concepts it was also recommended to request P&P to evaluate implications of landowners using water transfers within such HCM boundaries.
    - Transfers only allowed to adjacent and contiguous parcels within KNDLA.
    - Transfers are only allowed between parcels owners by the same landowner.
- Leave Behind Contingency; No reserve maintained. Do not adopt a leave behind contingency
- Curing Policy; Potential policy would be centered around the following while acknowledging the details of implementation would need a further investigation and plan.
    - Charge the landowner as fine commensurate with the funding needed to address the water supply impact and or to discourage future over pumping.
    - Reduce pumping allocation for the landowner the following year.

Discussion:

Developing KNDLA Goals and Expectations

- KNDLA has one established Project Management Action listed in the SGMA Kern Subbasin Groundwater Sustainability Plan- Demand Management with a steady glide path to 2040.
- Demand must equal Supply.
- The Detailed PMA is attached for KNDLA

3.2 POLICY ALTERNATIVES

Thirteen primary policy topics related to groundwater allocation were identified and discussed at the stakeholder meetings. These thirteen topics are illustrated below in **Figure 2.**

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Policy Alternatives Discussions:

Ramp Down Policy

The following policy options are available for the ramp-down as presented by Provost and Pritchard:

1. Immediate Reduction. Pumping immediately limited to the native yield allocation, or in other words, no ramp-down overtime.
2. Straight-Line Reduction. Reduce groundwater allocations in a straight line during the ramp-down period. This would result in a consistent, uniform reduction in groundwater pumping each year.
3. Gradual Reduction. Reduce groundwater allocations gradually, with a generally increasing rate of reduction (such as starting at 5% per year and ending at 15% per year).

A combination of options 1 and 2 were discussed as being in coordination with our GSP. The need for more historical water budget analysis and investigation is needed to further recommend an action.

Native Yield Distribution

Policy option for allocating native yield include the following:

1. All lands receive the same native yield. Distribution of native yield on a per acre basis reflects traditional groundwater rights concepts.

Table 1: Comparison of Gross-Area Native Yield and Developed-Land Native Yield

Description	KNDLA (without EWMA)	EWMA	Total KNDLA Area
Gross acreage	241,000 acres	39,300 acres	280,300 acres
Native yield rate	0.15 AF/ac/yr	0.15 AF/ac/yr	0.15 AF/ac/yr
Gross-area native yield	36,200 AF/yr	5,900 AF/yr	42,100 AF/yr
Developed acreage (2015-2023 avg)	21,200 acres	6,500 acres	27,700 acres
Developed-land native yield	3,200 AF/yr	970 AF/yr	4,170 AF/yr
Annual demand (2015-2023 average)	21,400 AF/yr	7,700 AF/yr	29,100 AF/yr
Apparent developed-land deficit	18,200 AF/yr	6,730 AF/yr	24,930 AF/yr

Notes:
1 - The table is intended to compare the effect of applying native yield across gross acreage versus developed acreage; it should not be interpreted as a final allocation or groundwater rights determination.
2 – EWMA is currently part of KNDLA but may detach in the future. The values in both columns, when added together, cover all of the current KNDLA area.

DRAFT

Discussion was centered on allocation of native yield across all acres within a water district and the impacts to the basin when comparing developed and undeveloped acres. A comparison of gross acres, develop acres and demand were evaluated.

The general sentiment among stakeholders is that all lands should retain access to native yield, but only those with developed land should be allowed to use native yield on their property. Unused native yield from undeveloped properties will not be available to the landowners until their land is developed. Also, unused allocations will not be split up among the developed lands, since it would create dependency on other supplies that may later be redirected to the overlying landowner, as well as create concentrated pumping.

All lands receive the same native yield. Distribution of native yield on a per acre basis reflects traditional groundwater rights concepts. Only those with developed land should be allowed to use native yield on their property. Unused native yield from undeveloped properties will not be available to the landowner until their land is developed.

<u>Developed Land</u>

Discussion centered around the definition of what developed land was or would be. Conversation around when a field may have been farmed, when cropping began, if breaks in years of production happened, or what dates per/post SGMA law passage should be considered.

Conversation moved on as other decisions that needed to be addressed prior to developed land would be defined.

<u>Carryover Water</u>

Discussion centered around unused groundwater being carried into and reserved for the landowner in future years. Given the policy options and representatives' analysis of SGMA GSP it was agreed to not allow carryover

of water. Groundwater allocation would expire if not used in one year. This policy would coincide with the GSP plan and SGMA coordination agreements with Kern Subbasin.

Water Transfers

Discussion on water transfers centered around movement of groundwater allocations from one parcel to another and regulated by distance or landowner. There was also conversation regarding EWMA future policy and if landowners would be in alignment with the Kern GSP and coordination agreements of the Kern subbasin.

Continued conversation involved caveats within the HCM areas and hydrology of the land. Variances may be warranted by the KNDLA Board of Directors on a case-by-case basis for HCM, Minimum Thresholds, Water Quality and such.

While agreeing on the following concepts it was also recommended to request P&P to evaluate implications of landowners using water transfers within such HCM boundaries.

Potential water transfer policies:

1. Transfers only allowed to adjacent and contiguous parcels within KNDLA.
2. Transfers are only allowed between parcels owners by the same landowner.

Leave Behind Contingency

Discussion of leave behind including reserving a portion of the groundwater allocation in the event some over pumping occurs.

Potential policy would be No reserve maintained. Do not adopt a leave behind contingency.

Curing Policy

Discussion involved using the water budget and ET offset with analyzing actions taken after landowners over pump or use more than their allocation. Conversation was interested in impacts to groundwater supplies, discouraging groundwater pumping and penalizing over pumping. In coordination with Kern subbasin GSP demand reduction is necessary and a charge of $500 is written into SGMA law. There would need to be an establishment of a fund for well mitigation, land retirement, land accusation for land retirement or such.

Potential policy would be centered around the following while acknowledging the details of implementation would need a further investigation and plan.

1. Charge the landowner as fine commensurate with the funding needed to address the water supply impact and or to discourage future over pumping.
2. Reduce pumping allocation for the landowner the following year.

Effective Precipitation

Discussion of analysis of rainfall and water demand while incorporating water supply and native yield. There was a need for P&P to analyze further using Land IQ data and historical data use.

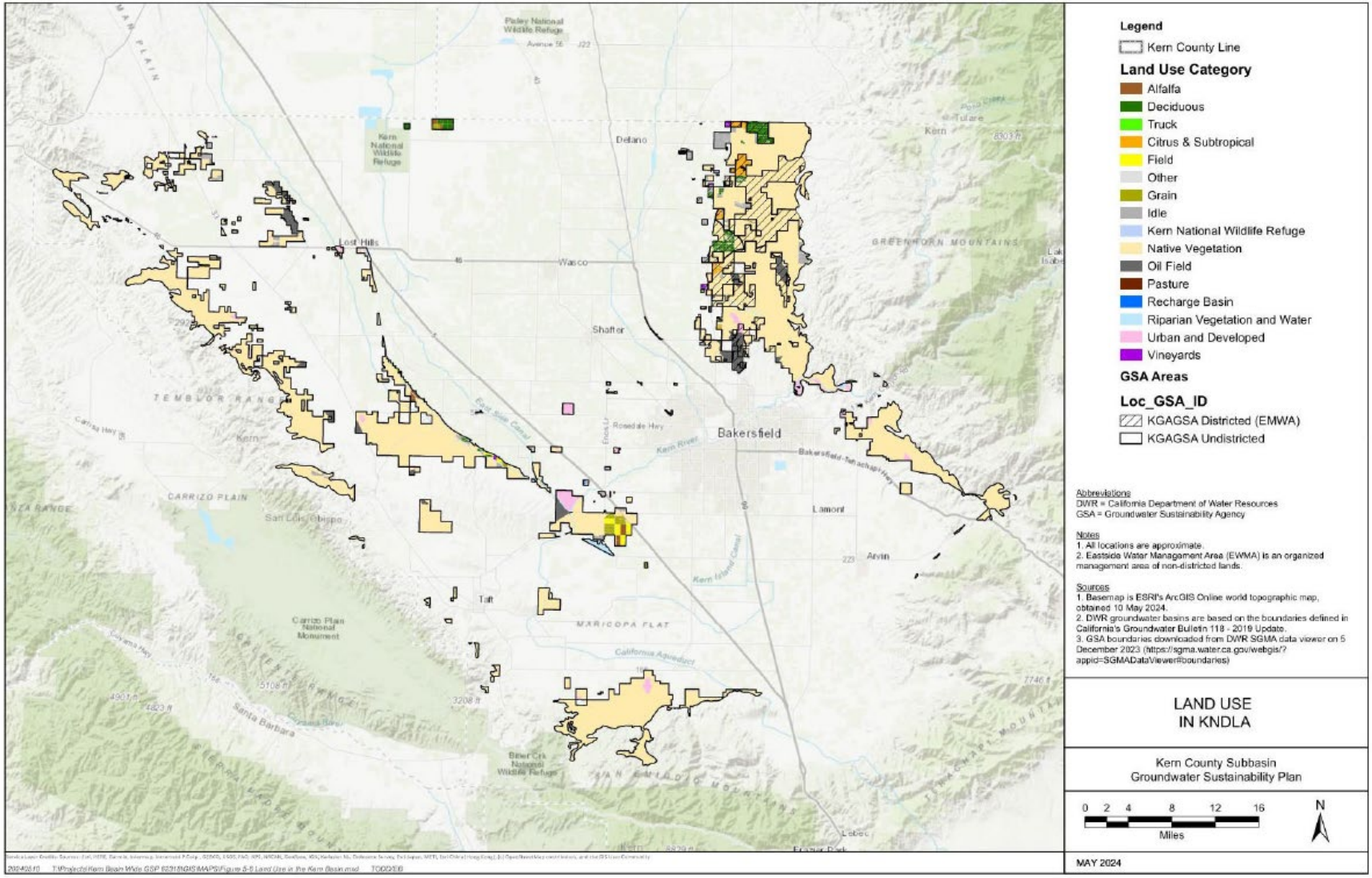
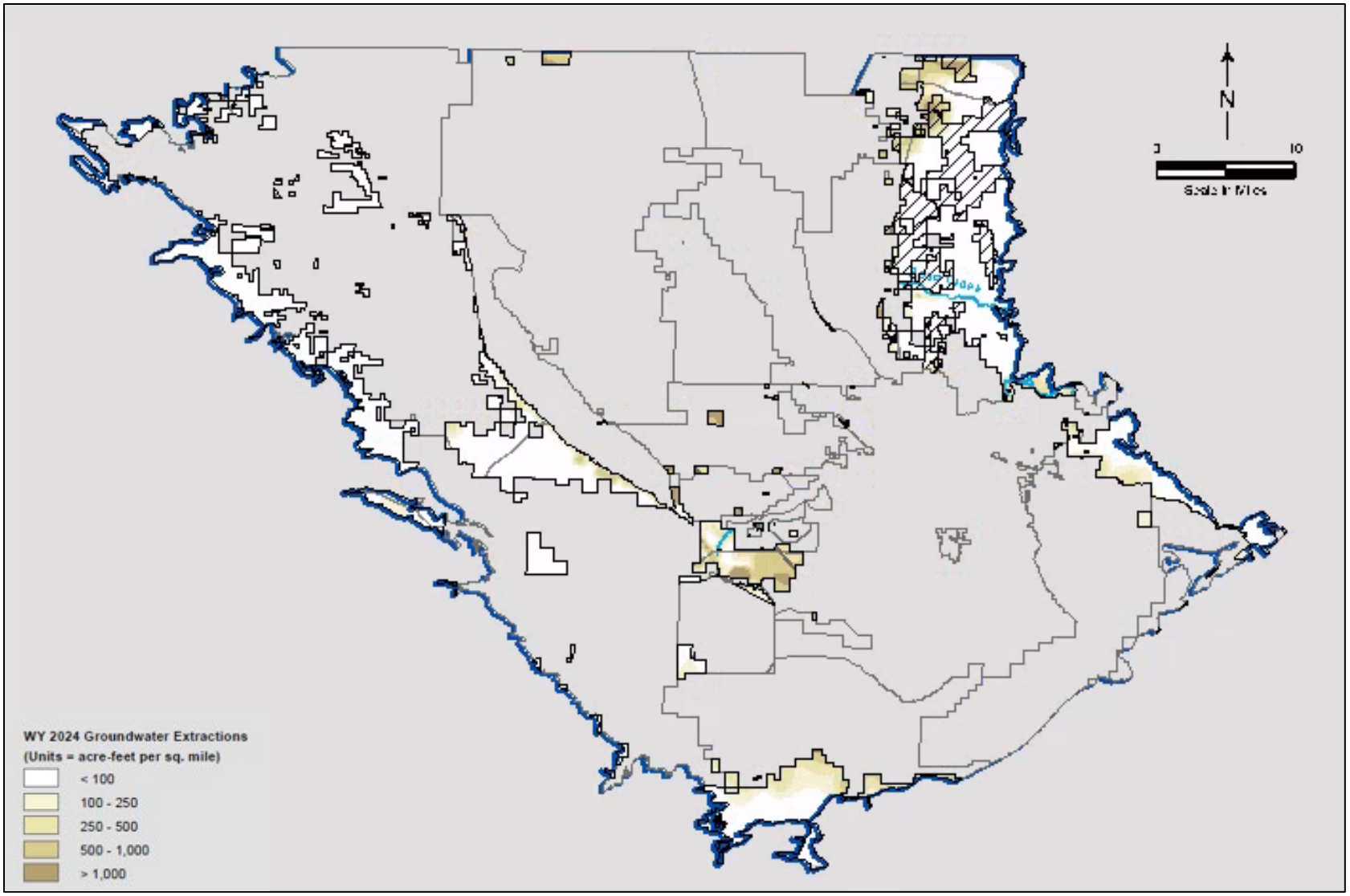


Figure 5-5. Land Use in Kern Non-Districted Land Authority



WY 2024 Groundwater Extractions (Todd Groundwater)

Implementation Glide Path – Kern Non-Districted Land Authority GSA

☑ 23 CCR § 354.42(d)

As stated above, the goals and objectives of the P/MAs presented herein are to address any existing or potential Undesirable Results by the GSP implementation deadline for Kern County Subbasin (i.e., by January 2040). As such, P/MAs will be implemented incrementally to achieve this goal. While the exact schedule and timetable for implementation of all individual P/MAs is not exactly known at this time, general implementation schedules, also known as a "Glide Path," have been developed as summarized for KNDLA GSA Table 2 below and illustrated on Figure 3. This "Glide Path" is aimed to address 50 percent (11,960 AFY) of the projected deficit of 23,920 AFY during each five-year milestone 2030 through 2040, which in turn will affect conditions of the relevant Sustainability Indicators based on the assumption that those conditions are directly related to the balance of supplies and demands within the GSA. The anticipated P/MA implementation schedule is forecasted to exceed the target deficit reduction as early as 2020.

Demand Reduction P/MAs

Demand Reduction P/MAs, estimated at 23,920 AFY of benefits, are the primary means of implementation of a "Glide Path" that will result in closing the identified "deficit" of 23,920 AFY under the 2030 Climate Change Scenario by the January 2040 GSP implementation deadline.

GSA-specific P/MAs either currently being implemented or which have been implemented or in process that contribute to water demand reduction include:

KSB-6 White Land Demand Management – The Subbasin is developing a governance structure and demand reduction action for Subbasin white lands (lands not within a district). As part of the implementation of KSB-6 there would be another round of public outreach to include remaining white land landowners. Previous stakeholder outreach efforts accomplished GSA management of over 150,000 acres of white lands that were absorbed via agreement with various GSAs and managed for sustainability. Approximately 7,200 acres of white lands (less than 1% of the Subbasin) remain currently using groundwater (irrigated agriculture and urban) to have management actions assigned. KSB-5 Basin Study will provide added technical data to support setting water budgets necessary to implement a linear white lands demand reduction schedule of 10 percent per year, estimated at a total of 23,920 AFY over the planning period of 2030-2040. Additional details are provided in the Kern Non-District Lands Authority Joint Powers Agreement governance document in **Appendix C-2**. Due to the white land's relatively small groundwater demand, implementing white land demand management in the 2025-2030 period will not preclude the Subbasin's ability to meet its sustainability goal.

Jenny Holtermann

From: Katelyn Zenger <zengerk@kerncounty.com>
Sent: Friday, June 26, 2026 4:16 PM
To: Jenny Holtermann
Subject: Public Comment - Draft Phase 1 Groundwater Allocation Options Analysis

Good afternoon Jenny,

Thank you for the opportunity to submit public comment regarding the Phase 1 draft of KNDLA's Groundwater Allocation Options Analysis.

The County appreciates that the Phase 1 report identifies Buena Vista Lake as an issue requiring additional evaluation during the Phase 2 Water Budget Analysis. However, we are concerned that the current draft characterizes BVARA as approximately 7,000 acre-feet of annual losses, representing roughly one-third of KNDLA's reported overdraft, while simultaneously acknowledging that the source of supply, inflows, and appropriate accounting treatment have not yet been determined.

During discussion with the consultant team, the County requested clarification regarding the methodology used to develop the 7,000 AF estimate, including the supporting data sources and stakeholder input. We understand that this analysis will instead be completed during Phase 2.

The County maintains records of the annual water required to maintain the recreational lakes, and those records can be used to quantify refill demand and evaluate evaporation and percolation. In addition, previous geotechnical work performed for the County estimated annual evaporation and percolation losses using site-specific assumptions and recommended that percolation estimates be refined as additional information becomes available.

Accordingly, the County recommends that the Phase 1 report avoid presenting the BVARA demand as a confirmed component of KNDLA overdraft or future allocation accounting until the Phase 2 Water Budget Analysis:

- documents the methodology supporting the annual demand estimate;
- verifies the source of water used to maintain the lakes;
- evaluates the appropriate groundwater accounting treatment, including jurisdictional considerations of our well locations;
- incorporates available operational data; and
- determines whether BVARA should be treated as a non-districted landowner-specific demand, a separate water budget component, a hardened demand, or otherwise within the allocation

Respectfully submitted,

Kate