



October 29, 2025

Mr. Scott O'Neil  
Agent, Little Lake Ranch  
Via email: mrscottoneil@gmail.com

RE: IWVGA Inquiry Regarding Water Purchase from Little Lake Ranch, Inyo County

Dear Mr. O'Neil:

Supervisor Phillip Peters, Vice Chairman of the Board of Directors of the Indian Wells Valley Groundwater Authority (hereafter, "IWVGA" or "the Authority"), asked Capitol Core Group to contact you about a potential water sale from the Little Lake Ranch in Inyo County, California. Capitol Core Group, Inc. acts as an authorized agent of IWVGA for purchasing water for import into the Indian Wells Valley. Our role includes performing due diligence on potential water sources that the IWVGA may acquire and use as part of its long-term water supply plan. This also involves negotiating the initial terms and conditions of such a water sale (referred to as the Term Sheet).

We understand that the water supply you may have access to originates from Little Lake Ranch in Inyo County. To begin the discussion regarding this water purchase, please provide the additional information requested below. Any discussion concerning cost, the structure of such an agreement, term, delivery schedule, and other relevant terms will be held in confidence by Capitol Core and presented to the IWVGA Board of Directors in closed session pursuant to the requirements of the Brown Act at Government Code Section 54956.8. Other terms, including but not limited to the conveyance point, interconnection, and environmental permitting/compliance that involve third-party approval, IWVGA will conduct public due diligence as needed to protect the public interest.

**General Information Requested:**

- The total amount of water available for sale by Little Lake Ranch.
- The source of the water (groundwater or surface water)
- Cost of the water
- Structure of the agreement, including term length, and any other terms/conditions as requested by the seller.
- Are you the authorized agent to enter into such negotiations and bind Little Lake Ranch owners?

**Conveyance Method:**

As the seller, Little Lake Ranch will be responsible for conveying the water to an appropriate interconnection point. Given its location, this is likely to be the Los Angeles Department of Water and

Power Aqueduct or a State Water Project contractor. Please identify the intended interconnection point for conveying the water.

Inyo County maintains an Ordinance effectively prohibiting the export of water supplies for use outside of the County's boundaries. While portions of the Indian Wells Valley are located within Inyo County, the primary use of the water would be within Kern County. It will be Little Lake Ranch's responsibility to demonstrate to IWVGA its ability to sell this water for export to the Authority for use in Kern County. IWVGA reserves the right to discuss this issue with Inyo County representatives as it conducts its due diligence regarding the water sale.

Further, Capitol Core has conducted substantial due diligence on the potential use of the Los Angeles Aqueduct to convey water. As part of our initial planning for the final draft of the Groundwater Sustainability Plan, starting in 2019, we held meetings with the Los Angeles Department of Water and Power (the owner of the LA Aqueduct) and with representatives of Inyo County. If any water were able to leave Inyo County beyond what Los Angeles County currently takes, both LA DWP and Inyo County would have to sign off on the deal. LA DWP indicated that it would not entertain further discussions with us regarding the use of the LA Aqueduct without explicit assurances from Inyo County that it was supportive of such a project. Inyo County was, and remains, in firm opposition to any further water exports from Inyo County. Considering these realities, please provide us with a reasonable plan for exporting this water out of Inyo County.

**IWVGA Requirements:**

Pursuant to the requirements of the Sustainable Groundwater Management Act ("SGMA"), IWVGA requires a total of 3,000 acre-feet annually in imported water supplies. This imported supply requirement may be averaged over five years.

**Contact Preferences and Next Steps:**

Nothing in this letter is intended to encumber IWVGA or Capitol Core Group. The purpose of this letter is to begin discussions regarding a water purchase from Little Lake Ranch and initiate discussions over a potential water sale.

The best way to reach me is via email – [t.tatum@capitolcore.com](mailto:t.tatum@capitolcore.com) – or via phone at (916) 576.0689 extension 704.

Look forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Todd Tatum', with a long horizontal flourish extending to the right.

Todd Tatum  
Senior Client Advisor  
Capitol Core Group, Inc. (agent for)  
Indian Wells Valley Groundwater Authority