

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Ridgecrest City Hall 100 W California Ave., Ridgecrest, CA 93555 760-499-5000

BOARD OF DIRECTORS

A G E N D A

Thursday October 20, 2016, 10:00 a.m.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Alan Christensen at (661) 868-3183. Requests must be made as early as possible and at least one full business day before the start of the meeting. Documents and material relating to an open session agenda items that are provided to the IWVGA Board of Directors prior to a regular meeting will be available for public inspection and copying at Indian Wells Valley Water District, 500 Ridgecrest Blvd, Ridgecrest, CA 93555, or online at www.co.kern.ca.us/groundwater/.

Statements from the Public

The public will be allowed to address the Board during Public Comments about subjects within the jurisdiction of the IWVGA Board and that are NOT on the agenda. No action may be taken on off-agenda items unless authorized by law. Questions posed to the Board may be answered after the meeting or at future meeting. Dialog or extended discussion between the public and the Board or staff will be limited in accordance with the Brown Act. The Public Comments portion of the meeting shall be limited to three (3) minutes per speaker. Each person is limited to one comment during Public Comments.

All remarks and questions should be addressed to the Board as a whole and not to any individual Board member or staff. There will be time after each action item on the agenda to receive comments from the public. Again each speaker will be limited to three (3) minutes. Speakers should be brief and limit their comments to the specific subject being discussed. Persons will be limited to one comment per person unless directed by the Chair.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS

This time is reserved for members of the public to address the Board relative to matters NOT on this agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person.

4. SPECIAL PRESENTATIONS

- a) Sustainable Groundwater Management Act (SGMA) Update – Tim Ross/Brian Moniz, Department of Water Resources

5. CONSENT CALENDAR

If the Board would like to discuss any item listed, it may be removed from the Consent Calendar.

- a) Approve Meeting Minutes of September 15, 2016

**IWVGA Board of Directors
Meeting of October 20, 2016**

- 6. APPROVAL OF RECOMMENDATIONS FROM OF AD HOC COMMITTEE ON IWVGA COMMITTEE MEMBERSHIP, MISSION STATEMENTS, AND ORGANIZATIONAL STRUCTURE**
- 7. DISCUSSION OF REVENUE CONSULTANT/STUDY**
- 8. REPORT ON PUBLIC HEARING TO CONSIDER ELECTION OF THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA) TO ACT AS A GROUNDWATER SUSTAINABILITY AGENCY (GSA) FOR THE INDIAN WELLS VALLEY GROUNDWATER BASIN**
- 9. CLOSING COMMENTS**
This time is reserved for comments by Board members and/or staff and to identify matters for future Board business.
- 10. DATE AND TIME OF NEXT MEETING** November 17, 2016, 10 am.
- 11. CLOSED SESSION - None**
- 12. ADJOURN**

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

BOARD OF DIRECTORS

MINUTES

Ridgecrest City Hall

100 W California Ave, Ridgecrest, CA 93555

Thursday September 15, 2016, 10:00 a.m. to 1:34 p.m.

CALL TO ORDER:

The meeting was called to order by Chairman Gleason at 10:00am.

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Ron Kicinski.

PUBLIC COMMENTS:

Bill Manofsky, a local resident, referenced the Water Education Foundation document "The 2014 Sustainable Groundwater Management Act: A Handbook to Understanding and Implementing the Law," and asked that the board clarify what "most circumstances" meant in the line "De minimis users cannot be assessed fees under most circumstances". Kern County Legal Counsel Phill Hall answered that he is unsure at this time if de minimis users will be assessed a fee.

Judie Decker, a local domestic well owner, states there is already a problem with regards to the future casino and lack of discussion on the overdraft water issue.

Renee Westa-Lusk, a local resident, announced that she is in the process of having a member of Congress, on the House Armed Services Committee, visit Ridgecrest and China Lake, before the November election, and asked if any IWVGA members are willing to meet with the member of Congress. Chairman Gleason asked that the member's information be forwarded to the Board in order to follow up.

Ron Kicinski, a local resident, noted that the JPA Board is not elected specifically but appointed from other Boards, and the JPA Board members discuss the issues with their individual elected Board members. Kicinski thinks that the process will work this way.

Harold Manos, private well owner, asked for clarification of what the board's plans were with regards to controlling water in the valley. Chairman Gleason answered that to his understanding, SGMA does not apply to de minimis users defined as using less than 2 acre feet per year. Phill Hall added that water use has to be used towards residential and not agricultural application. Manos also noted that domestic well owners use less water than agriculture. His well is going down one foot per year due to overpumping by agriculture.

Chuck Griffin stated that if the basin is regulated then de minimis users could be charged fees. Phill Hall noted that de minimis users would not be charged fees before the GSP is adopted, four years from now. However, there is a possibility of post-GSP fees.

Carol Wilson, private well owner, wanted clarification about rates for de minimis users. Phill Hall noted again that determination had not been made. Chairman Gleason said that de minimis users are not impacted by SGMA.

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Columbia Nelson, a private well user who shares a well with three other parcels, asked for clarification with regards to how many acre feet can be used for shared wells. Phill Hall answered that even if you have 5 acres, each user can still only use 2 AFY to be considered a de minimis user.

Tom Wiknich commends the board for answering public comments and questions.

Wes Katzenstein, de minimis user, asked if the GSA has the power to regulate pumping and assess fees. Chairman Gleason stated that he cannot offer definitive answers at this time. Phill Hall interjected that the overlying right is that anyone who has property in a basin has a right to the pump groundwater in that basin. Tim Parker asked for patience from the public, and that as soon as the board receives answers with regards to fees the board will pass along the information.

SPECIAL PRESENTATIONS:

a. Jack Connell, China Lake Alliance – Potential Conflicts with GSP Timeline and BRAC Timeline

The Navy generates 80% of the economy in Indian Wells Valley. The navy is not forecasting or predicting a BRAC (Base Closure and Realignment Commission). BRAC should not interfere with the GSA status or work on the GSP. Earliest window for a BRAC would be 2019.

Chairman Gleason commented that he recently had a conversation with Navy Leadership and they corroborated the information Jack Connell has presented.

Vice-Chair Breeden announced that Jack Connell will have a presentation for City Council in the near future.

Stan Rjatora, suggested more emphasis on increasing recycled water use in the near future. He expressed the concern that 2020 is too late to have a plan.

Bill Manofsky asked if Commander Longbottom could answer several questions with regards to large-scale water use on the Base. Chairman Gleason asked that Mr. Manofsky talk with Commander Longbottom after the meeting to follow up with several questions and Commander Longbottom could bring the answers back to the board.

b. Lorelei Oviatt, Kern County Director of Planning and Natural Resources – Potential Commercial Scale Solar Opportunities presentation

Kern County has plans for expanding commercial scale solar in the Kern County portions of IWV and Central Valley to provide reliable energy for the community and Navy base, to reduce water use and monetize land in a different way. The plans would involve expanding transmission, attracting private investors, a full public process with an EIR for a new solar overlay zone, and will include a conservation element for landowners.

Chairman Gleason asked that Ms. Oviatt further explain solar overlay, the difference between IWV and the central valley, and how the focus will remain on water reduction and not consuming other acres.

Bill Manofsky asked if state tax incentives could be applied to this valley to install solar panels on houses.

Wes Katzenstein mentioned a potential corollary problem in the valley with agriculture, that if the current crops were cleared for a solar project, it could create a sand and dust problem.

Oviatt replied that the way the solar projects are implemented, they help stabilize the land and no dust comes off.

Sophia Merk, local resident, asked for a copy of the presentation. No copies were available. Ms. Merk also asked if recycled water was possible, as well as distributed solar.

CONSENT CALENDAR:

Motion made by Peter Brown and seconded by Bob Harrington to approve the Minutes of the August 25, 2016 regular IWVGA Board of Directors Meeting. Motion approved.

APPROVAL OF REGULAR MEETING SCHEDULE FOR 2016 AND 2017:

The staff recommended that the Board meet the third Thursday of each month at 10:00am. Vice-chair Breeden made motion to accept this schedule, contingent on reviewing the schedule again at the end of 2016. Peter Brown seconded motion. Motion carried unanimously. (Ayes: Breeden, Brown, Gleason, Harrington, Page Nays: None.)

DISCUSSION OF ROTATION SYSTEM FOR IWVGA CHAIR AND VICE-CHAIR:

Staff recommended that the chair and vice-chair rotate between the three Kern County agencies: Kern County, City of Ridgecrest, and Indian Wells Valley Water District. The rest of 2016 & 2017 Kern County would serve as chair, City of Ridgecrest as vice chair. For year 2018 City of Ridgecrest would chair, Indian Wells Valley Water District would serve as vice chair. For year 2019 Water District would Chair, Kern County would serve as vice chair. No public comment. Peter Brown moved to adopt the schedule of rotation of chair & vice chair, and Bob Harrington seconded the motion. Motion carried unanimously. (Ayes: Breeden, Brown, Gleason, Harrington, Page Nays: None.)

DISCUSSION OF REQUEST BY EASTERN KERN COUNTY RESOURCE CONSERVATION DISTRICT TO SERVE AS ASSOCIATE MEMBER OF THE IWVGA:

Staff recommended that EKCRCD not be a JPA associate member, but instead a member on the GSP committee.

Don Joe Mckiernan, representing EKCRCD, stated that in his opinion, the EKCRCD would be more beneficial as an associate member on the JPA, than a GSP committee participant.

Donna Thomas, board member of EKCRCD, reported that SWRCB did a legal review. Ms. Thomas also asked for clarification on whether it was a “development” or “advisory” committee.

Patricia Farris shared that she felt the board should embrace rather than exclude public that bring meaningful information to the group. Farris said that the EDCRCD would be a great asset to the board.

Judie Decker commented that the EKCRCD is a public agency and available to the public at any time.

Renee Westa-Lusk asked if the public would hear both sides behind the decisions, why EKCRCD felt they would be a better asset as an associate member, and why the board felt they would be a better asset as an Advisory Committee participant.

Phill Hall stated that there are federal regulations and policies that do not allow BLM or the Navy to be a voting member of the JPA. Thus the associate member titles were specifically created for the Navy and BLM. Mr. Hall clarified it is an “advisory” committee.

Don Joe McKiernan stated that the EKCRCD would be willing to be an activate participant of the Advisory Committee, however would prefer being an associate member of the JPA.

Motion made by Peter Brown to appoint EKCRCD to the Advisory Committee, Bob Harrington seconded motion. Motion carried unanimously. (Ayes: Breeden, Brown, Gleason, Harrington, Page Nays: None.)

APPROVAL OF GSP ADVISORY COMMITTEE STRUCTURE:

Tim Parker made a presentation of possible committee options – a Policy Advisory Committee (PAC), a Technical Advisory Committee (TAC), and an Outreach Committee. Possible membership in the PAC to include:

- 5 GSA members appoint one representative
- 2 GSA associate members appoint one representative (non-voting)
- 2 Agriculture
- 2 Domestic Well Owners (1 single dwelling and 1 neighborhood MWC)
- 1 Searles Valley Minerals-Domestic Water Company

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- 1 Inyokern CSD
- 1 Eastern Kern County RCD (environmental)
- 1 Business

Peter Brown stated that he likes the composition and asked what would constitute a business.

Vice-chair Breeden indicated that she must present any/all important matters to her council prior to making any choices.

Ron Kicinski asked how the Indian Wells Valley Cooperative Groundwater Management Group would be incorporated with this new GSA.

Tim Parker states that the intention is to integrate the IWVCGMG into the Advisory Committees.

Donna Hocker, Realtor with the Ridgecrest area Association of Realtors, has been asked by her Board to request that two realtors be able to serve on one of the committees, one as a member and the other as an alternate.

Joshua Nugent, Mojave Pistachio and Nugent Farms, requested two seats for the major AG users and on additional seat for small AG, for a total of three seats.

Derek Hoffman, legal counsel for Meadowbrook Dairy, noted that it shows promise, agreed there should be a TAC as well with a 3rd party consultant whose selection should include input by the Policy Advisory Committee, noted that Meadowbrook thinks that two seats for AG is underrepresentation, and requested that Meadowbrook be listed by name as a participant of the Advisory Committee.

Judie Decker stated that the domestic well owner is underrepresented, and commented that if AG receives increased representation to three, then domestic well owner representation also needs to be increased to three.

Joshua Nugent agreed that major pumpers should be named on the advisory committee.

Phill Hall explained that Searles Valley Minerals was named due to its subsidiary's status as a PUC regulated water company.

Lorelei Oviatt said that she has spent her entire career working with committees and supported naming the groups represented, and commented that representatives should receive input from their constituents and work to build consensus.

Wes Katzenstein would like to see a variety of plans on how to proceed.

Harold Manos asked if the board was aware of the amount of power handed out to private well owners versus AG users, and suggests that the AG users should be proportionately taxed to encourage them to use less water.

Tom Wiknich asked if the board is assuming it would become the GSA. and suggested that each individual member of the JPA takes a recommendation from the JPA board back to their own boards.

Chairman Gleason answered that it is the board's intent to become the GSA for the Indian Wells Valley groundwater basin.

Dell Hledik expressed concern for underrepresentation of private well owners.

Anthony Brown, representing Mojave Pistachio and Nugent Farms, expressed that taxation needs to accompany representation.

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Kazinski advised caution when choosing those to represent constituent groups – that they don't have private agendas.

Bob Page asked for clarification that when the committee is set up it would be under the Brown Act and allow public comment and attendance. Alan Christensen stated yes, in fact any member of the public could attend and the meetings will be posted.

Chairman Gleason commented that this board needs a plan to have a balanced aquifer by 2040. The job of the GSA is to develop strategic objectives and thoughts. The committees develop tasks, ideas and recommend projects.. Chairman Gleason was not in favor of the GSP Advisory Committee Structure that as presented. He would like to see a mission statement for the organizational structure and then how to populate the various committees. It is recommended that the Committees and the Board have a mission statement and objectives. Bob Harrington noted that the policy committee role is the more immediate role – there is a need to explain how interests will be represented but in the meantime need to move forward with the formation of the GSA.

Chairman Gleason would like a motion to be made for this board to assign two members to an ad hoc committee, (suggested Chairman Gleason and Board Member Brown), to work on creating a mission statement and present a proposal by the next board meeting.

Motion made by Bob Page to assign Chairman Gleason and Peter Brown to develop a mission statement and present a proposal by next board meeting, Vice-chair Breeden seconded motion. Motion carried unanimously. (Ayes: Breeden, Brown, Gleason, Harrington, Page Nays: None.)

Peter Brown's suggestion was to just use constituent titles and remove numbers. The Cooperative group should be merged into the proposed committees.

Bob Page supported the drafting of a mission and then adding the structure. The board could decide who could apply and evaluate whether subcommittees could be set up for different constituent groups and have them propose their own representatives for advisory committee membership.

APPROVAL FOR IWVGA TO FILE NOTICE WITH THE DEPARTMENT OF WATER RESOURCES OF INTENTION TO FORM A GROUNDWATER SUSTAINABILITY AGENCY FOR THE INDIAN WELLS VALLEY BASIN:

Decision made to approve recommendation with modification of postponing hearing to November instead of October.

Motion made by Bob Page to allow the filing of notice with the DWR and having the hearing in November, Peter Brown seconded motion. Motion carried unanimously. (Ayes: Breeden, Brown, Gleason, Harrington, Page Nays: None.)

APPROVAL OF BUDGET FOR FY 2016:

Anita Imsand asked that this board, when reimbursing agencies, takes into consideration what the money was used for as far as legal battles that they had recently.

Motion made by Peter Brown to approve the stated budget for FY 2016, Bob Page seconded motion. Motion carried unanimously. (Ayes: Breeden, Brown, Gleason, Harrington, Page Nays: None.)

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Donna Thomas announced that the IWVCGMG is cancelled and to her understanding the TAC meeting is cancelled as well. Michelle Anderson stated that the TAC Meeting was not cancelled.

DISCUSSION OF OBTAINING LEGAL COUNSEL FOR THE IWVGA:

The board agreed with recommendation that Phill Hall provide a presentation of representation agreements for final adoption at the October board meeting.

REPORT ON WELL DEPTHS IN INDIAN WELLS VALLEY BY KERN COUNTY WATER AGENCY:

Michelle Anderson presented three hydrographs, and indicated that KCWA measures 189 wells twice a year, in March & October. Her presentation is available at <http://iwvgroundwater.org/hydrographs/>

Vice-chair Breeden asked that a more detailed report be offered on the next presentation, perhaps after the October measurements.

Don Decker, local resident, addressed vice-chair Breeden, stated that the data available is not up-to-date.

Ms. Anderson stated that the data is in fact up to date and will be available through the aforementioned website.

CLOSING COMMENTS:

Phill Hall clarified that the 2 AFY per acre is what's generally consumed and considered a fairly robust amount for domestic use.

Vice-chair Breeden stated that when she sat on the board for IWVWD the general usage was .86 AFY.

Bob Harrington stated that Matt Kingsley will not be able to attend the October meeting but should be able to attend the November meeting and subsequently scheduled meetings.

Chairman Gleason stated that to make future meetings more efficient, meeting agendas may need to lessen, and that public comments will need to be shortened.

DATE AND TIME OF NEXT MEETING:

The next IWVGA Meeting will be held on October 20, 2016 10:00am at Ridgecrest City Hall, 100 W California Ave, Ridgecrest CA 93555.

CLOSED SESSION: None.

ADJOURN:

Motion was made by Peter Brown to adjourn meeting at 1:34pm

Respectfully submitted,


Lauren Duffy
IWVWD Recording Secretary

IWVGA ADMINISTRATIVE OFFICE

Staff Report

Agenda Item 6

TO: IWVGA Board Members **DATE:** October 20, 2016
FROM: Alan Christensen *AC*
SUBJECT: Approval of Recommendations from Ad Hoc Committee on IWVGA Committee Membership, Mission Statements and Organization Structure (Fiscal Impact: none)

DISCUSSION

On September 15, 2016, the IWVGA Board approved an Ad Hoc Committee to work on advisory committees to the Board and mission statements for each. The Goal of committees is to help complete tasks related to development of a Groundwater Sustainability Plan (GSP). Mick Gleason and Peter Brown were appointed to the Ad Hoc Committee. The committee met and offers the following recommendations:

1. IWVGA Committees – The Ad Hoc recommends two committees: a) Policy Advisory Committee or PAC; and b) Technical Advisory Committee or TAC. Because they are standing committees meeting on a regular basis, they subject to the Brown Act. Other committees may be formed later by the IWVGA Board as needed.
2. Policy Advisory Committee (PAC) – The PAC would be comprised as follows:

Mission and Objectives

The mission of the Policy Advisory Committee (PAC) is to advise the Indian Wells Valley Groundwater Authority Board of Directors (Authority Board) on the preparation and implementation of a Groundwater Sustainability Plan (Plan). During Plan preparation and implementation, the objectives of the PAC are to:

- Work collaboratively with other PAC members who represent groundwater users and interests throughout the Indian Wells Valley Groundwater Basin.
- Continue working towards a common understanding on current and future water needs and resources in the Indian Wells Valley Groundwater Basin.
- Support implementation efforts that aim to meet the Plan's basin management objectives to protect resources in a sustainable manner, ensure local control, address current and future local water needs, and support the economy and environment.
- Negotiate in good faith to achieve consensus on management of the Indian Wells Valley Groundwater Basin groundwater into the future.
- Make a unified recommendation to the IWVGA Board with regard to a Groundwater Sustainability Plan. Support actions that facilitate bringing the Indian Wells Valley Groundwater Basin into compliance with the requirements of the Sustainable Groundwater Management Act of 2014 (SGMA), including but not limited to achieving groundwater sustainability by 2040.

Committee Structure

The PAC is the primary policy advisory body to the Groundwater Authority. The PAC will guide Plan preparation and implementation, with assistance from a Technical Advisory Committee (TAC), a technical consultant, facilitator, and program manager.

Additional committees may be formed by the Groundwater Authority as needed. All committees represents are advisory to the Groundwater Authority. Each provides input and/or recommendations on topics relevant to its charge for Groundwater Authority consideration.

PAC Membership/Stakeholder Representation

The PAC membership is appointed by the IWVGA Board and consists of representatives of the City of Ridgecrest, Inyo, Kern and San Bernardino Counties, Agricultural Groundwater Users, Businesses, Domestic Groundwater Users, Eastern Kern County Resource Conservation District, and the Indian Wells Valley Water District as listed below. PAC members live throughout the Plan Area or work in agencies/organizations whose service areas include all or part of the area.

- 5 – One for each of the Voting GSA Members
(Kern County, San Bernardino County, Inyo County, City of Ridgecrest, IWVWD)
 - 2 – One for each of the Associate GSA Members (NAWS, BLM)
 - 2 – Agriculture – Large (Meadowbrook Farms, Mojave Pistachio)
 - 1 – Agriculture – Small
 - 2 – Business Interest
 - 2 – Domestic Well Owners
 - 1 – Planning
 - 1 – Environmental (Eastern Kern County Resource Conservation District)
 - 1 – Industrial (Searles Valley Minerals)
- 17 - Total

3. Technical Advisory Committee (TAC) - The TAC would be comprised as follows:

Mission and Objectives

The mission of the TAC is advisory, and to serve as a technical resource and “workhorse” for the IWVGA by gathering, evaluating, and interpreting data and/or reports relevant to groundwater issues in the IWV Groundwater Basin (IWV Basin). The TAC provides scientific, expert advice and peer review in response to questions raised by the IWVGA Board of Directors, and recommends appropriate courses of action on current and emerging water issues to the IWVGA Board of Directors.

The objectives of the TAC are to:

- Work collaboratively with other TAC members who represent groundwater users and interests throughout the Indian Wells Valley Groundwater Basin
- Continue the dialogue towards a common technical understanding of the dynamic nature of water resources, demands and management actions in the Indian Wells Valley groundwater Basin.
- Provide technical input on the implementation of the California Sustainable Groundwater Management Act (SGMA) in the IWV Groundwater Basin.
- Support preparation and implementation of a Groundwater Sustainability Plan (GSP).
- Recommend milestones and interim measures to the Board with regard to groundwater savings possibilities prior to adoption of the GSP or that support the GSP.
- Support actions that facilitate bringing the Indian Wells Valley Groundwater Basin into compliance with the requirements of the Sustainable Groundwater Management Act of 2014 (SGMA), including but not limited to achieving groundwater sustainability by 2040

Organization

To maintain technical independence from other committees of the IWVGA, the TAC shall report directly to the IWVGA Board of Directors. The Groundwater Authority convenes TAC meetings, garners necessary funding to advance implementation, and provides in-kind staff to support the TAC. Additionally, the TAC shall support the IWVGA Board of Directors and IWVGA Committees by providing technical information in an understandable form to provide the

Membership

Each organization represented on the IWVGA and the Policy Advisory Committee may elect to nominate one representative to sit on the TAC. In addition, the IWVGA Board of Directors may appoint additional members to the TAC Committee, as they deem necessary and warranted to meet the TAC mission and objectives. Initial Composition of the TAC will include:

- 5 – One for each of the Voting GSA Members
(Kern County, San Bernardino County, Inyo County, City of Ridgecrest, IWVWD)
- 2 – One for each of the Associate GSA Members (NAWS, BLM)
- 1 – Agriculture
- 1 – Domestic Well Owner
- 1 – Industrial
- 1 – Kern County Water Agency
- 1 – IWVGA Technical Consultant

- 12 – Total

Subject Matter Experts (SME) may be invited by the TAC to participate with approval by the IWVGA Board, as required, when specific expertise is needed. Participation of a SME with the TAC shall be limited only to those meetings required to address a specific issue.

Membership Criteria

Members of the TAC are appointed by the IWVGA Board considering the following criteria:

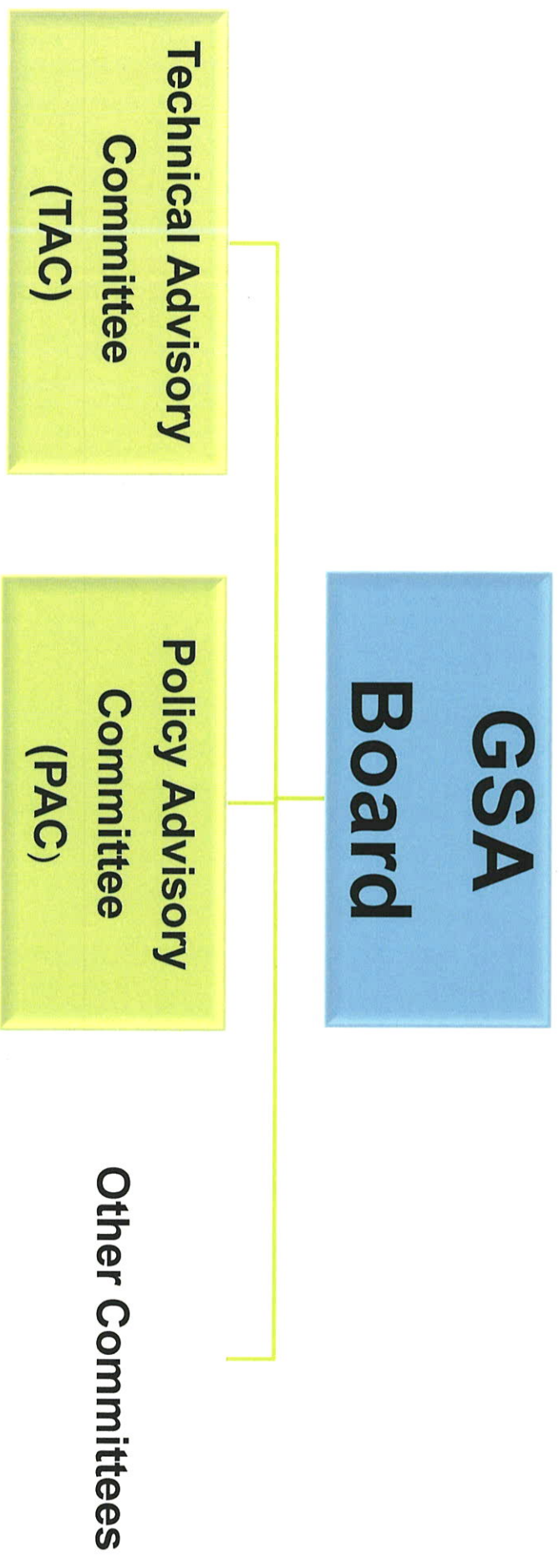
- A. Formal education and experience in a water or groundwater-related field.
- B. Technical background including but not limited to geology, hydrology, hydrogeology, engineering, energy and ecology, and an understanding of the geology and hydrology of the Indian Wells Valley or similar groundwater basins in California.
- C. Must not be a political appointee or an elected political official.
- D. Must not have a legal conflict of interest with service on the TAC.

Upon approval of the Board, staff would include the committee composition in the JPA bylaws. Also, at future meeting, staff intends to bring forward more formal charter language for each of the committees for the Board to consider.

RECOMMENDATION

Staff recommends the IWVGA Board follow the recommendations of the Ad Hoc Committee and approve the above items.

IWV/GA Committee Structure



Committee Expectations

- Perform tasks related to GSP as assigned by GSA Board
- Complete tasks in a timely fashion
- Represent their constituents keeping in mind basin-wide benefit
- Strive for consensus on committee recommendations
- Work on short-term actions justified by data (prior to GSP)

IWVGA ADMINISTRATIVE OFFICE

MEMORANDUM

Agenda Item 7

TO: IWVGA Board Members **DATE:** October 20, 2016
FROM: Alan Christensen, IWVGA Staff *AC*
SUBJECT: Report on Revenue Consultant and Groundwater Fee Study

DISCUSSION

Chapter 8 of the Sustainable Groundwater Management Act (SGMA) governs the Financial Authority of a local Groundwater Sustainability Agency (GSA). Under California Water Code Section 10730, a GSA is authorized to impose fees to fund the cost of a groundwater sustainability program. Specifically, Section 10730(a) states:

“A groundwater sustainability agency may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve. A groundwater sustainability agency shall not impose a fee pursuant to this subdivision on a de minimis extractor” (defined as less than 2 acre-feet per year) “unless the agency has regulated the users pursuant to this part.”

Under SGMA, prior to imposing any fees, the GSA is required to hold a public hearing after complying with certain notice and posting requirements. Water Code Section 10730(b) states:

- (1) “Prior to imposing or increasing a fee, a groundwater sustainability agency shall hold at least one public meeting, at which oral or written presentations may be made as part of the meeting.”
- (2) “Notice of the time and place of the meeting shall include a general explanation of the matter to be considered and a statement that the data required by this section is available. The notice shall be provided by publication pursuant to Section 6066 of the Government Code, by posting notice on the Internet Web site of the groundwater sustainability agency, and by mail to any interested party who files a written request with the agency for mailed notice of the meeting on new or increased fees. A written request for mailed notices shall be valid for one year from the date that the request is made and may be renewed by making a written request on or before April 1 of each year.

In addition to the requirements of SGMA, new fees may be subject to additional requirements under Proposition 218 and/or Proposition 26. Proposition 218 governs the ability of a local agency to impose new or increased taxes, assessments, and property related fees and charges. Charges subject to Proposition 218 require either voter approval or to withstand a majority protest; and that the fee charged to the property owner may not exceed the cost of providing the service. Proposition 26, referred to as the “Supermajority Vote to Pass New Taxes and Fees Act”, requires a two-thirds supermajority vote in the California State Legislature to pass many fees, levies, charges and tax revenue allocations that under the state's previous rules could be enacted by a simple majority vote.

The question of whether Proposition 26 applies would need to be addressed. SGMA provides the local GSA with the ability to determine which fee is best suited for its needs, including permit fees, groundwater extraction fees or other regulated activity. Without knowing the type of fee proposed, it is difficult to

determine if Proposition 218 and/or Proposition 26 may apply or what additional requirements may apply to imposing a fee under Water Code Section 10730. We proposed engaging a professional fee consultant with knowledge and experience in Proposition 218 and 26, and familiarity with SMGA would be help the Board consider a groundwater fee.

With the relatively small amount of seed money and current limited sources of revenue among the five General Members of the Indian Wells Valley Groundwater Authority, it is clear additional funds will be required for the Groundwater Authority to conduct business and develop the GSP by the January 31, 2020 deadline.

RECOMMENDATION

Staff recommends staff continue to evaluate the financial needs of the Authority and bring back a contract proposal to the Board in January 2017.

IWVGA ADMINISTRATIVE OFFICE

MEMORANDUM

Agenda Item 8

TO: IWVGA Board Members **DATE:** October 20, 2016

FROM: Alan Christensen *AC*

SUBJECT: Report on Public Hearing to Consider Election of the Indian Wells Valley Groundwater Authority to Act as Groundwater Sustainability Agency for the IWV Groundwater Basin (Fiscal Impact: none)

DISCUSSION

This item is to provide an overview to the Board of the public hearing that is set for November 17, 2016, to receive public comment and consider if the County of Kern should become a Groundwater Sustainability Agency (GSA) in the Kern County Sub-basin.

The Sustainable Groundwater Management Act (SGMA) allows eligible public agencies to elect to become a GSA for a given groundwater basin that is in critical overdraft. It also requires a GSA filing over the entire basin by June 30, 2016. The Indian Wells Valley Groundwater Authority (IWVGA) is a cooperative Joint Powers Authority formed with other eligible public agencies in the Indian Wells Valley. It was formed for express purpose of becoming a GSA for the IWV Groundwater Basin. In order to make that deadline and include the 90-day waiting period, staff recommends the GSA filing take place before March 31, 2016. The IWVGA intends to represent the entire IWV groundwater basin and no other eligible public agencies appear ready to file an overlapping application.

On September 15, 2016, the IWVGA Board voted 5-0 to notice and hold a public hearing on the November 17, 2016, in order to consider becoming the GSA for the entire IWV Groundwater Basin. That hearing is scheduled to take place during the next regular meeting of the IWVGA on November 17, 2016 at 10 am at Ridgecrest City Hall. At that meeting, after the public hearing is closed, then the Board will consider approval of resolution to apply to DWR to be the GSA for the Indian Wells Valley Basin. If approved, the IWVGA would become the exclusive GSA in the basin if no GSA-eligible public agency files an overlapping application to be a GSA within 90 days of the application being deemed complete by DWR. A public notice and resolution are attached for your review.

Many other agencies throughout the State of California have file to be a GSA. Filing to be a GSA would be the beginning of our groundwater sustainability and management relationship with the State. For your information, statewide statistics on GSA filings with DWR as of October 11, 2016, are as follows:

- 219 GSA formation notifications have been filed with DWR.
- 93 of those applications are in overlap or 42%.
- 126 GSA applications have been named "exclusive" by DWR, meaning the 90-day period after posting has expired and DWR considers the GSA filing final for that area.

Once designated as a GSA, there would still be much work to be done by IWVGA in order to meet the next SGMA deadline, which is to develop a Groundwater Sustainability Plan (GSP) before January 31, 2020

RECOMMENDATION

No action

NOTICE OF PUBLIC HEARING ON
THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY'S
ELECTION TO BECOME A GROUNDWATER SUSTAINABILITY AGENCY

NOTICE IS HEREBY GIVEN that pursuant to California Water Code section 10723(b), the Board of the Indian Wells Valley Groundwater Authority shall hold a public hearing on November 17, 2016 at 10:00 a.m. at the Ridgecrest City Hall located at 100 W California Ave, Ridgecrest, California, to consider and determine whether the County shall file to become a Groundwater Sustainability Agency, pursuant to the Sustainable Groundwater Management Act for the portions of the Indian Wells Valley Groundwater Basin. Written comments may be submitted prior to the hearing by mail or hand delivery to Lauren Duffy at the Indian Wells Valley Water District, 500 Ridgecrest Blvd, Ridgecrest, California 93555. The Board shall also consider oral and written comments received during the hearing but the presiding officer may limit oral comments to a reasonable length.

Dated: October 13, 2016

Indian Wells Valley Groundwater Authority
County of Kern, State of California

**BEFORE THE BOARD OF INDIAN WELLS
VALLEY GROUNDWATER AUTHORITY
STATE OF CALIFORNIA**

In the matter of:

Resolution No. _____

**RESOLUTION ELECTING TO BECOME A
GROUNDWATER SUSTAINABILITY AGENCY
FOR THE PORTIONS OF THE INDIAN WELLS
VALLEY GROUNDWATER BASIN.**

I, Lauren Duffy, Clerk of the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Board Member _____, seconded by Board Member _____, was duly passed and adopted by the Board of Supervisors at an official meeting this 19th day of July, 2016, by the following vote:

AYES:

NOES:

ABSENT:

of the IWVGA Board
State of California

RESOLUTION

Section 1. WHEREAS:

(a) The comprehensive groundwater legislation referred to as the "Sustainable Groundwater Management Act" (SGMA) was signed into law on September 16, 2014 with an effective date of January 1, 2015, and codified at California Water Code sections 10720 *et seq.*; and

(b) The stated purpose of SGMA, as set forth in California Water Code Section 10720.1, is to provide for the sustainable management of groundwater basins, and subbasins, as defined by the California Department of Water Resources at a local level by providing local

financial assistance necessary to sustainably manage groundwater; and

(c) SGMA further provides for and anticipates that eligible local agencies overlying basins that are designated by California Department of Water Resources (DWR) as “high or medium priority” will form Groundwater Sustainable Agencies (“GSAs”) for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans (“GSPs”); and

(d) Water Code section 10723(a) authorizes local agencies with water supply, water management or local land use responsibilities, or a combination of those local agencies, overlying a groundwater basin to elect to become a GSA; and

(e) The County of Kern falls within the SGMA definition of local agency and it overlies the entirety of the unadjudicated groundwater basin known as the Indian Wells Valley Groundwater Basin (Basin).

(f) The Basin, which is defined in DWR Bulletin 118 as Basin No. 6-54, has been designated as a high priority basin in critical overdraft; and

(g) Many of the express powers set forth in SGMA were previously held exclusively by the County through its constitutionally granted policy power over groundwater and as such the ability of a local water purveyor to now also exercise these powers through the formation of a GSA is a significant expansion of the authorities granted to local water purveyors. Prior to SGMA, the powers and authorities afforded to a of a local water purveyor were expressly set forth, and limited by, the purveyor’s enabling act; and

(h) SGMA anticipates and expressly provides the statutory authorities for GSAs to operate as enterprise funds through the imposition of fees on those that are benefited by the GSA’s operations. As such, any initial outlay of general funds by the County may be recouped once the GSA is formed; and

(i) SGMA does not allow a local agency to impose fees or regulatory requirements on activities that are outside of the boundaries of the local agency and therefore in order to ensure uniformity in the implementation of SGMA and its effects on all lands within the Basin the County of Kern should elect to become a GSA or be a member of all GSA’s in the Basin; and

(j) Water Code section 10735.2(a) provides that the State Board may designate the Basin as probationary if any portion of the Basin is not covered by a GSA before June 30, 2017; and

(k) Staff has reviewed this matter and determined that this matter is exempt from further CEQA review pursuant CEQA Guideline section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant

effect on the environment and CEQA Guideline section 15378(b)(5) because the matter is an organizational activity that will not result in a direct or indirect physical change in the environment; and

(l) As required by Water Code section 10723(b), the notice of public hearing to consider this election to become a GSA for the Basin was published pursuant to Government Code section 6066 in the Bakersfield Californian; and

(m) On November 17, 2016, the IWVGA Board properly held the noticed public hearing required by Water Code section 10723(b) at 10:00 a.m. at Ridgecrest City Hall

Section 2. IT IS RESOLVED by the IWVGA Board, State of California, as follows:

1. This Board finds that the recited facts are true and that it has the jurisdiction to consider, approve, and adopt this Resolution.

2. This Board incorporates and makes all the findings recommended by staff, whether verbally or in their written reports.

3. This Board finds and determines that the applicable provisions of the California Environmental Quality Act of 1970 ("CEQA"), the State CEQA Guidelines, and the Kern County Guidelines have been observed in conjunction with the hearing and the considerations of this matter and it is exempt from further CEQA review pursuant Sections 15061(b)(3) and 15378(b)(5).

4. The IWVGA Board hereby elects to form a GSA for the portions of the Indian Wells Valley Groundwater Basin as depicted in the attached Exhibit A.

5. To the extent there are any inadvertent errors in any of the exhibits attached to this Resolution, those errors shall be deemed irrelevant and non-determinative of the Board's action. The stated purpose of this Resolution is to ensure the County's filing to be a GSA over the entirety of the portions of the Basin subject to the filings by KRGSA and Greenfield.

6. As required by Water Code section 10723.2, the GSA formed by the County of Kern shall consider the interests of all beneficial uses and users of groundwater, as well as those that are responsible for implementing groundwater sustainability plans.

7. As required by Water Code section 10723.4, the GSA shall establish and maintain a list of all persons interested in receiving notices regarding the GSP preparation, meetings, announcements, and the availability of draft plans, maps and other relevant documents.

8. The IWVGA GSA shall abide by and staff shall ensure that any and all

requirements of SGMA, or other applicable law, are met, including any future amendments thereto.

9. Staff is directed to ensure that the County's notice of GSA formation, and all supporting documentation, is submitted to California Department of Water Resources by no later than July 20, 2016.

10. The Clerk of this Board shall cause a Notice of Exemption to be filed with the County Clerk.