



INDIAN WELLS VALLEY WATER DISTRICT



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May 10, 2022

Phillip Peters, Chairman
Indian Wells Valley Groundwater Authority
100 West California Ave.
Ridgecrest, CA 93555

Re: IWVGA Fallowing Program

Dear Mr. Peters:

This letter is sent to in response to the April 13, 2022 letter from the Indian Wells Valley Groundwater Authority (“GA”) asking whether the Indian Wells Valley Water District (“District”) supports the GA’s Fallowing Program using Replenishment Fees intended to purchase an imported water supply. The District has and still believes the use of Replenishment Fees to support the Fallowing Program would be a misuse of Replenishment Fees and based on this, cannot support the Fallowing Program using Replenishment Fees.

Your letter notes that the Fallowing Program was unanimously adopted by the Board and was intended “to be funded by the Replenishment Fee”. The Transient Pool and Fallowing Program and the Replenishment Fee were both adopted on August 21, 2020. It is important to note that neither the Staff Report or the actual Report on Transient Pool and Fallowing Program approved by the GA Board mentioned the funding source, not even once. There is a single reference to the possible use of Replenishment Fees for the Fallowing Program in GA documents. It is the Engineer’s Report for the Adoption of a Basin Replenishment Fee and it can be found in a footnote, specifically, footnote 4, page 26 and states:

The funds collected for the Augmentation Project *may* also be used to fund the IWVGA Fallowing Program which will preserve Basin supplies and in effect equate to a purchase of water supplies.

The District does not agree that the purchase of Fallowing Program water “equate[s] to a purchase of water supplies” and the lack of discussion or analysis of this use of Replenishment Fees in the Engineer’s Report is concerning. Note that the District did not vote for the Replenishment Fee, which is the only GA document that references this potential use, so we disagree with the GA’s statement that the District has somehow “changed its opinion”.

The Engineer's Report contains a cost breakdown of the Augmentation Project and Shallow Well Mitigation Project to justify the amount of the Replenishment Fee. Other than footnote 4, no analysis or explanation of the Fallowing Program or the impacts of this use on the Replenishment Fee is contained in the Engineer's Report. The District remains as the only entity/person paying the Replenishment Fee so any use of these funds other than for imported water only increases the burden on the District's ratepayers. With today's economy, we must remain mindful of the financial burdens placed on not only District ratepayers, but all residents of the Indain Wells Valley.

For these reasons, among others, the District does not support the use of Replenishment Fees for the GA's Fallowing Program. We trust this letter answers the GA's question and we remain open to any questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Saint-Amand', written in a cursive style.

David Saint-Amand
President of the Board of Directors