

IWVGA ADMINISTRATIVE OFFICE

STAFF REPORT

TO: IWVGA Board Members

DATE: November 19, 2020

FROM: IWVGA Staff

SUBJECT: AGENDA ITEM NO. 11 - BOARD'S CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION 08-20 ESTABLISHING A RECYCLED WATER PROGRAM RESOLUTION

Project 2 of the Groundwater Sustainability Plan is to "Optimize Use of Recycled Water." This Project is intended to augment the local water supply, decrease dependence on imported water and increase the sustainable yield of the Basin. Concurrently with this item the GSA will consider an agreement with the City Ridgecrest ("City") wherein the GSA would purchase recycled in an approximate amount of 2000 AF per year for use for groundwater recharge even subsurface applications (deep injection) or through surface applications (surface spreading grounds) at another location, or through some other project as determined by the Program.

Project benefits identified in the Groundwater Sustainability Plan include: (1) Reduction in loss of groundwater in storage when compared to current trends and baseline conditions; (2) Reduction of unreasonable and chronic lowering of groundwater levels with many areas of the IWVGB anticipated to show improved and rising groundwater levels; (3) Reduction of unreasonable water quality degradation and/or Improvement of water quality conditions; and (4) Reduction and/or prevention of land subsidence conditions. Reduction of loss of groundwater in storage and of the chronic lowering of groundwater levels will reduce impacts to shallow wells. In addition, the proposed project will decrease the volume of imported water which will be required to achieve sustainability. By reducing groundwater production in the IWVGB, optimization of recycled water supplies will assist with the preservation of China Lake NAWS and the community.

The Program would work as follows. The Authority would provide large permanent users of groundwater, such as Searles Valley Minerals and the Indian Wells Valley Municipal Water District, with the opportunity to participate in the Program. Participants will fund the cost of developing the ultimate recycled water project. In exchange, they will be excused from paying a replenishment fee on an amount of water proportional to their participation in the Program, provided however that they will still be responsible for the mitigation component of \$17.50 per acre foot.

The initial cost of the program will be based on the cost of producing a design for the recycled water system which staff estimates would be approximately \$500,000. These payments be made monthly based on production (in the same manner as the replenishment fee). Staff estimates that this phase of the program will take approximately 18 months. (The expected per acre foot charge for the Program would equate to 3,150 (\$2,100 per year x 1.5 years) divided by \$500,000 = \$158.75 per acre foot.) This pumping will be subject to the \$17.50 well mitigation portion of the Replenishment Fee because overdraft will still occur during this period but because this is an alternative water supply it will not be subject to the portion of the fee used for obtaining additional water supplies.

Participants in the Program would work cooperatively to develop a cost effective and practical use of the water. Once a Project has been agreed to and approved, participants of the program would equally share in the reduced cost of water regardless of the proportion of water delivered to each participant. In other words, if the Project agreed to by the parties ultimately delivered 900 acre feet per year of water to Searles, Searles would nevertheless be entitled to produce its remaining balance of groundwater, 150 acre feet per year, at the reduced Program cost rather than the replenishment rate. This of course assumes equal participation. If there is less than equal participation, the delivered water will be adjusted according to the level of participation.

Environmental Review: The California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereafter CEQA) requires an analysis of discretionary “project” approvals by an agency. A “project,” under CEQA, is defined as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” Authority staff has reviewed this proposal and determined that it is not a Project under CEQA because this stage is focused on initial design feasibility only and as such further environmental review under CEQA is not required, or appropriate, or even possible at this point. Once the general parameters of one (or more) feasible designs has been determined, the appropriate level of environmental review will be engaged in.

Authority staff has also reviewed and considered the environmental impacts of this action as though it were a project and have concluded that this action is exempt from further environmental review pursuant to California Environmental Quality Act Guidelines section 15273 and Public Resources Code section 21080(b)(8) because it is for the establishment of operational rates and charges. Furthermore, it has been determined that this action is exempt from further environmental review pursuant Guidelines section 15061(b)(3) because it can be seen with a certainty that this action will not have a significant effect on the environment. Moreover, it has been determined that this action is exempt from further environmental review pursuant Guidelines section 15378(b)(5) because it involves administrative activities that will not result in direct or indirect physical changes in the environment. Additionally, this matter is exempt from further CEQA at this stage under State CEQA Guidelines Section 15301 (Existing Facilities) because the proposal involves the operation of existing public facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.

RECOMMENDED BOARD ACTION(S)

Therefore, it is recommended that the Board:

- 1) Consider Resolution No. 08-20, and;
- 2) Make a finding as set forth in the staff report that the action is exempt from further CEQA review because it is provided statutorily and categorical exemptions, including that: the action is not a project under CEQA; the action will not have a significant effect on the environment; the action does not include a discretionary act subject to CEQA; the action is mandated by law; the action is for the operation of existing public facilities; and the action is for the establishment of operational rates and charges.
- 3) Adopt Resolution No. 08-20 creating a Recycled Water Program.

**BEFORE THE BOARD OF DIRECTORS OF THE
INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

In the matter of:

Resolution No. 08-20

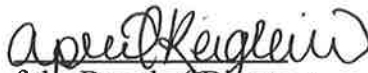
**ESTABLISHMENT OF A RECYCLED
WATER PROGRAM**

I, April Keigwin, Clerk of the Board of Directors for the Indian Wells Valley Groundwater Authority, do certify that the following resolution, on motion of Vice-Chair Hayman, seconded by Director Page, was duly passed and adopted by the Board of Directors at an official meeting this 19th day of November 2020, by the following vote:

AYES: Gleason, Page, Vallejo, Hayman

NOES: Kicinski

ABSENT:


Clerk of the Board of Directors
Indian Wells Valley Groundwater Authority

**THE BOARD OF DIRECTORS OF INDIAN WELLS VALLEY GROUNDWATER
AUTHORITY RESOLVES AS FOLLOWS:**

Section 1. This Resolution shall become effective immediately.

Section 2. Definitions. As used in this Resolution, the following terms shall have the meanings stated below:

2.1 “Authority” means the Indian Wells Valley Groundwater Authority.

2.2 “Basin” means the Indian Wells Valley Groundwater Basin which is designated as basin number 6-54 in Department of Water Resources’ Bulletin No. 118.

2.3 “Groundwater Sustainability Plan or GSP” means the Groundwater Sustainability Plan adopted by the Authority on January 16, 2020 to provide for sustainable management of groundwater in the region.

2.4 “Participants” refers to Parties that elect to join the Recycled Water Program as set for below

Section 3. Purpose. Project 2 of the Groundwater Sustainability Plan is to “Optimize Use of Recycled Water.” This Project is intended to augment the local water supply, decrease dependence on imported water and increase the sustainable yield of the Basin. Concurrently with this item the GSA will consider an agreement with the City of Ridgecrest (“City”) wherein the GSA would purchase recycled water in an approximate amount of 2000 AF per year for use for groundwater recharge even through subsurface applications (deep injection) or through surface applications (surface spreading grounds) at another location.

Project benefits identified in the Groundwater Sustainability Plan include: (1) Reduction of loss of groundwater in storage when compared to current trends and baseline conditions; (2) Reduction of unreasonable and chronic lowering of groundwater levels with many areas of the IWVGB anticipated to show improved and rising groundwater levels; (3) Reduction of unreasonable water quality degradation and/or Improvement of water quality conditions; and (4) Reduction and/or prevention of land subsidence conditions. Reduction of loss of groundwater in storage and of the chronic lowering of groundwater levels will reduce impacts to shallow wells. In addition, the proposed project will decrease the volume of imported water which will be required to achieve sustainability. By reducing groundwater production in the IWWGB, optimization of recycled water supplies will assist with the preservation of China Lake NAWS and the community.

Section 4. Program. The Authority will establish a Recycled Water Program for the purpose of putting recycled water obtained from the City to use for groundwater recharge even through subsurface applications (deep injection) or through surface applications (surface spreading grounds) at another location, or through some other project as determined by the Program.

The initial cost of the program will be based on the cost of producing a design for the recycled water system. These costs will be shared equally by the Participants and be billed monthly through volumetric charges on groundwater extraction. The Participants will receive an exemption from the payment of the replenishment fee established pursuant to Ordinance 03-20, less the well mitigation portion of \$17.50 which will remain in place, on any pumping that has paid a volumetric charge pursuant to the Program.

Participants in the Program would work cooperatively to develop a cost effective and practical use of the water. Once a Project has been agreed to and approved, participants of the program would equally share in the cost of constructing the Project. It is anticipated that the Project selected may not deliver recycled water equally to all Project participants. Nevertheless, the Authority will establish pumping credits sufficient to ensure that all Participants in the Program share equally in the reduced cost of water regardless of the proportion of water delivered to each Participant.

Section 5. Requirements to Join Program. In order to become a Participant in the Program, each of the party shall execute, in a form approved by Authority Counsel, a commitment letter which will be irrevocable for the duration of the Program. The commitment letter shall include a full release of claims against the Authority. Upon completion of the Program, Authority and Participants will negotiate in good faith the joint participation in the construction of the Project.

Section 6. Other. Adoption of this Program does not commit Authority to completing the Project, should the Project as designed be infeasible due to costs or other factors.