

**INDIAN WELLS VALLEY
GROUNDWATER AUTHORITY
POLICY ADVISORY COMMITTEE**

Indian Wells Valley Water District 500 W. Ridgecrest Blvd. Ridgecrest

MINUTES

Thursday, June 29, 2017, 10:00 a.m.

1. CALL TO ORDER/ROLL CALL:

The meeting was called to order by Leigh Ann Cook, Chief of Staff, Supervisor Gleason and Interim Coordinator for the Policy Advisory Committee at 10:00 a.m

POLICY ADVISORY COMMITTEE:

Rodney Stiefvater, Large Agriculture

Edward Imsand, Large Agriculture

Patricia Quist, Small Agriculture

Scott O'Neil, Business Interests

Carol Wilson, Business Interests

Vacant, Residential Customers of Public Water Agency

Nick Panzer, Residential Customers of Public Water Agency

West Katzenstein, Domestic Well Owner

Lyle Fisher, Domestic Well Owner

Donna Thomas, Eastern Kern County Resource CD

Steve Godard, Wholesaler and Industrial User

ROLL CALL:

11 Present; 1 Absent – Scott O'Neil

NON VOTING MEMBERS:

Don Zdeba, Indian Wells Valley Water District

Ryan Klaush, Bureau of Land Management

Brian Longbottom, Department of the Navy

Lorelei Oviatt, County of Kern

ROLL CALL:

2 Present; 2 Absent – Brian Longbottom and Lorelei Oviatt

2. PUBLIC COMMENTS

Sophia Merk thanked the committee for its transparency.

3. OVERVIEW

- a. The Election of Chair and Vice Chair was held. Donna Thomas was selected Chair and Steve Godard was selected Vice Chair
- b. Discussion of Disadvantaged Communities Representative

4. STAFFING RECOMMENDATIONS

- a. It was reported that Lorelei Oviatt, Director of Planning and Natural Resources offered to provide some administrative staffing through her department.

5. REPORTING AND TRAINING REQUIREMENTS

Counsel reviewed the requirements of the committee to follow the Brown Act, file Form 700s and attend ethics training. Discussion and questions from the Committee and the public followed including concerns by members.

6. SET REGULAR MEETING DATES

It was determined another poll thorough calendaring would be done and a date or dates would be determined.

7. ACTION ITEMS ASSIGNED

Discussion and question from the Board and the Public on how to accomplish goals followed.

8. ADJOURN

Meeting was adjourned at 12:04 pm.

PAC Chair: Candidacy Statement for Nick Panzer

I propose that PAC adopt the following agenda, goal, and procedures for the first three months.

Focus **AGENDA** on these five questions. (§ references are to DWR's GSP regulations)

1. By what date should we "operate within sustainable yield?"
§ 354.24 Sustainability Goal (p 19)
2. On what schedule should we "mitigate overdraft" accrued since 2014?
§ 354.44 (b)(2) (p 28)
§ 355.4 (b)(6) (p 32)
§ 356.2 (b)(5)(B) (p 36)
3. How should our "water budget" prioritize water use by "users and uses"?
§ 354.18 (b)(3) (p 16)
§ 355.4 (b)(4) (p 32)
4. How should we enforce our "water use" priorities?
§ 356.2 (b)(4) (p 35)
5. How aggressively should we investigate new water sources?
§ 354.44 (b)(6) (p 28 re importing)

As our three-month **GOAL**, I propose that we present our answers to these questions as policy proposals, **CONSENSUS** or **OTHERWISE**, to the Water Resource Manager before 9/15/17 for delivery to the GSA before 9/30/17.

To accomplish this goal, I propose that we adopt these **PROCEDURES**:

- a. Meet twice-monthly for the first three months to address these questions.
- b. Agenda the first six PAC meetings for three hours each, divided 50/50 between public input and PAC discussion.
- c. Proceed to address these questions without waiting for the hire of a Water Resource Manager, the creation of a TAC, or the completion of water studies.
- d. Accept that these questions cannot be discussed in isolation due to their interrelationship.
- e. Amend these questions or add others as justified by specific GSP regulation cite(s).
- f. After achieving our three-month goal, schedule thereafter two-hour monthly meetings (or as needed) to further pursue the PAC mission.

June 29, 2017

Indian Wells Valley Groundwater Authority
Policy Advisory Committee

Re: *Policy Advisory Committee Meeting*

Dear Fellow Policy Advisory Committee Members,

It is my pleasure to join with you on this Policy Advisory Committee as we work together toward long-term groundwater management opportunities and solutions for our Indian Wells Valley Groundwater Basin.

In an effort to help the PAC hit the ground running on the assignments that we have been given by the Board, ***and to make sure we do everything we can to meet the rapidly-approaching deadlines to apply for millions of dollars in grant funding for the benefit of the entire Basin***, I am writing this letter to summarize my thoughts and proposals for certain items listed on our PAC meeting agenda. My hope is that this will help to focus our discussion and also to raise awareness that we already have several extremely time-sensitive and critical objectives that must be met over the next several weeks.

Agenda Item 3 – Overview

Item 3.a. Elect Chair and Vice Chair

I would like to nominate Donna Thomas as Chair, and Steve Godard as Vice Chair, of the PAC. Donna Thomas has valuable experience as chair the Indian Wells Valley Cooperative Groundwater Management Group and also on the board of the Eastern Kern County Resources Conservation District. She is a natural fit to Chair the PAC. Likewise, Steve Godard is a team-leader on complex technical projects for one the largest mining operations in California. I believe he would serve well in the role of Vice Chair for the PAC.

Item 3.b. Select a Disadvantaged Communities Representative

Here too, I propose we select either Donna Thomas or Steve Godard to fill this role. Whoever is selected as the Disadvantaged Communities Representative must be prepared to be deeply engaged in the grant funding application process. Significant portions of the Proposition 1 grant funding and also the Integrated Regional Water Management Planning grant funding are earmarked specifically for disadvantaged communities, which comprises a significant portion of our Valley. Donna Thomas has experience in writing grant funding applications for the Eastern

Kern County Resource Conservation District, and Steve Godard's PAC constituency includes the town of Trona. The Basin needs a DAC representative that has those qualifications, and who is prepared to jump in on day one (today) to help with the technical work to apply for grant funding.

Item 6. Set Regular Meeting Dates

The PAC should meet twice monthly until the Groundwater Authority has successfully applied for and secured all available grant funding for the Basin. We have an opportunity – if not an obligation to our Basin – to pursue at least \$1.5 million in Proposition 1 grant funds.

I propose the PAC meets at least twice in both July and August, and that the PAC meets the 2nd and 4th Thursdays of each month afterward at least until the grant funding process is complete. The PAC meetings would straddle the Groundwater Authority's Board Meetings (on the 3rd Thursdays). This is important to enable the PAC to meet, deliberate and provide timely recommendations to the Board, which must make decisions and take steps over the next few weeks in order to meet the grant funding application deadlines.

With this proposal, PAC meetings for July and August would be:

- Thursday, July 13th
- Friday, July 21st
- Tuesday, August 15th
- Thursday, August 24th.

There will be a very short, approximately two-month window to apply for Proposition 1 funds, which will begin in August and will close in October 2017. Just weeks ago, DWR released its Draft Proposal Solicitation Package ("PSP") for Groundwater Sustainability Plans and Projects for Proposition 1 funds. Once the final PSP is released, applications from GSAs all over the State will compete for those funds! DWR will begin awarding grants in December 2017. Once Proposition 1 funds are exhausted, there will be no more application windows. We owe a responsibility to our Basin to maximize grant funding opportunities, but we can only do that if we get organized now with enough meeting dates and times to pursue those opportunities.

Item 7. Action Items Assigned

Item 7.a. How do we bring various interests, needs and dollars to allow for continued growth, and additional growth?

In order to address this question, the PAC should identify and consider:

- What are the growth objectives of the City, the Counties and the Navy?
- What are the growth forecasts of the City, the Counties and the Navy?
- What do the City's and Counties' General Plans provide for?

SGMA requires municipalities to coordinate with the GSA and the GSP in the land use development process, to address water use and availability. Everyone should bear a fair share of responsibility in reducing water use and using water more efficiently.

Item 7.b. Funding options to address solutions; Item 7.d. Become experts on Proposition 1 funding; and Item 7.e. Coordinate Proposition 1 Funding Priorities.

These are critical issues that will shape our path to successfully implementing SGMA. There are two fast-approaching DWR Sustainable Groundwater Management Program Proposition 1 grant funding opportunities under the PSP:

- (1) Category 1 holds \$10 million total, statewide, to be allocated in up to \$1 million grants for projects serving Severely Disadvantaged Communities; and
- (2) Category 2 holds approximately \$76.3 million statewide, including up to \$1.5 million per basin for those deemed critically overdrafted (such as our Basin) to support activities associated with the planning, development and preparation of GSPs.

The Prop 1 Guidelines require a 50% cost share, which can include certain in-kind services. DWR also administers grant funding under the Integrated Regional Water Management Planning program, for which the next funding solicitation cycle will begin in the first quarter of 2018. The application process for both programs is technical and complex. There are also limits on the number and type of applications that may be submitted, which requires that we coordinate all potential Proposition 1 funding projects, including the Brackish Water Resources Study project, in order to maximize grant funding opportunities.

The PAC should encourage the Board to utilize available cash on hand (approximately \$75,000 according to Mr. Christensen's recent report) to invest in the preparing the necessary Proposition 1 grant funding application(s) and to fund our local cost share requirements. Investing that money to obtain over \$1.5 million in grant funds is an enormous return on investment that will benefit the entire Valley; likewise, failing to invest has an enormous opportunity cost. The Board and its Ad Hoc Finance Committee are currently considering hiring a funding consultant. The PAC should recommend that the Board utilize our PAC and existing resources first, to apply for grant funding, which must begin now.

To improve our chances for success, I propose that we establish a "PAC SGMA Funding Workgroup":

- The objective of the Workgroup would include identifying funding options and presenting recommendations to the PAC. The PAC would then make recommendations to the Board.
- The Workgroup's first priority is developing a strategy for securing Proposition 1 grant funds to meet the upcoming application deadlines.

- The Workgroup would utilize available technical consultants and resources. Meadowbrook would offer, for example, to have its consultant, Kennedy Jenks, prepare a technical memorandum for the PAC on how to maximize grant funding opportunities for the Basin. It would include specific grant funding application requirements, deadlines, deliverables, strategy recommendations, and proposed grant funding application cost allocations.
- The Workgroup would bring back recommendations to the PAC at the July 13th PAC Meeting, which would enable the PAC to make timely recommendations to the Board at its July 20th meeting.
- The Workgroup would exist for an initial 18-month duration, to see the grant funding process through completion and to provide recommendations to the PAC regarding funding SGMA implementation.

The Workgroup would be comprised of the following PAC Members:

- Don Zdeba (IWV Water District)
- Donna Thomas (EKCRCD)
- Eddie Imsand (Large Agriculture)
- Scott O'Neill (Business Interests)
- Rod Stiefvater (Large Agriculture)

Establishing a lean, efficient PAC SGMA Funding Workgroup to research and present options and recommendations to the PAC is critical to enable us to meet the upcoming grant funding deadlines. The Workgroup will also help the PAC to quickly become experts on Proposition 1 funding and coordinate Proposition 1 funding priorities as we have been assigned by the Board.

I hope you will support this proposal.

Item 7.c. Outreach study and program Federal, State and Local.

We need to establish a robust outreach strategy to Basin stakeholders, including for example to domestic well owners and other small pumpers, Indian tribes, business communities, and residents in the Valley. We have several PAC members who are uniquely qualified to lead that effort. ***I propose we establish a “PAC Outreach Workgroup” to develop and bring back outreach strategy recommendations, and that this Workgroup be comprised of the following PAC Members:***

- Carol Wilson (Business Interests – Realtors)
- Lyle Fisher (Domestic Wells Owners)
- Nick Panzer (Residential Customer of Public Agency Water Supplier)
- Ryan Klausch (BLM)
- Pat Quist (Small Agriculture)

The proposed Workgroup composition is diverse, and each member represents a distinct and broad interest group in the Valley. I suggest requesting Mr. Klaush to provide guidance on outreach to Indian tribes.

Thank you for considering my letter. I truly look forward to serving with you on the PAC, and I hope you will join me in getting the PAC organized and operational as quickly as possible so we can maximize our chances for success—especially the upcoming grant funding opportunities.

Sincerely,

Eddie Imsand
PAC Member – Large Agriculture