

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY POLICY ADVISORY COMMITTEE

Indian Wells Valley Water District 500 W. Ridgecrest Blvd. Ridgecrest, CA 93555

A G E N D A

Thursday, March 29, 2018 6:00 p.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 PAC Committee 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 Committee during Public Comments about subjects within the jurisdiction of the IWVGA Policy Advisory Committee and that are NOT on the agenda. No action may be taken on off-agenda items unless authorized by law. Questions posed to the Committee may be answered after the meeting or at future meeting. Dialog or extended discussion between the public and the Committee 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 Committee as a whole and not to any individual 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 AND ROLL CALL

2. UPDATE FOR SUBMITTING FORM 700 FOR CURRENT YEAR

3. PUBLIC COMMENTS

This time is reserved for the public to address the Committee about matters NOT on the agenda. No action will be taken on non-agenda items unless authorized by law. Comments are limited to three minutes per person.

4. APPROVAL OF MARCH 1, 2018 MINUTES OF PAC MEETING - pending

5. REVIEW OF DRAFT PAC ACTION SCHEDULE FOR POAM

Committee discussion, potential action / comments and recommended amendments.

6. POTENTIAL ACTIONS TO COMPLETE FINAL DRAFT FOR C&E PLAN FOR OUTREACH STRATEGY

- a. Review GSP Stakeholder Communication and Engagement Final Draft Document for submission to IWVGA at their April 19, 2018 Board of Directors meeting

7. DISCUSSION AND RESPONSES TO QUESTIONS FROM WATER RESOURCES MANAGER.

Review January 31, 2018 e-mail from Steve Johnson

8. DISCUSSION AND DECISION REGARDING ALLOCATION OF COMMENT TIMES FOR 30 MINUTE TIME FRAME DESIGNATED FOR PAC AT APRIL 5, 2018 PUBLIC WORKSHOP

9. FUTURE AGENDA ITEMS

This time is reserved for the public and Committee members to address potential items for future meeting agendas. No action may be taken unless authorized by law and comments are limited to three minutes per person.

10. COMMITTEE MEMBER ANNOUNCEMENTS OR COMMENTS*

11. ADJOURN TO PUBLIC WORKSHOP MEETING ON APRIL 5, 2018 AT 5 P.M. AT RIDGECREST CITY COUNCIL CHAMBERS

***Remember to submit your Form 700 by April 2, 2018**

Review and familiarize yourself with DRAFT PROPOSAL of Groundwater Pumping Fees To Finance Development and Adoption of a Groundwater Sustainability Plan and IWVGA Administrative Fees (see attached Item 10 from IWVGA Agenda March 15, 2018)

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

Ridgecrest City Hall 100 W California Ave., Ridgecrest, CA 93555 760-499-5002

SPECIAL WORKSHOP A G E N D A

Thursday, April 5, 2018
5:00 p.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 Ricca Charlon at (760) 499-5002. Requests must be made as early as possible and at least one full business day before the start of the meeting.

****The public will be allowed to address the Board during Public Comments. The Public Comments portion of the meeting shall be limited to three (3) minutes per speaker with public comment limited to two (2) hours total. Each person is limited to one comment during Public Comments. Time permitting, and at the discretion of the chair, second comments may be allowed.***

****Members of the public wishing to provide comment will need to submit a comment card. Comment cards will be available at the entrance to chambers 30 minutes prior to the meeting until 15 minutes after start of meeting (4:30 – 5:15). Speakers will be heard in order.***

1. CALL TO ORDER

2. STAFF PRESENTATION

- a. Discussion of Groundwater Pumping Fees to Finance Development and Adoption of a Groundwater Sustainability Plan and IWVGA Administrative Costs

3. PUBLIC COMMENTS* - Members of the public wishing to provide comment would need to submit a comment card – **2 hours total time for this item**

4. POLICY ADVISORY COMMITTEE (PAC) COMMENTS – **30 minutes total time for this item**

5. TECHNICAL ADVISORY COMMITTEE (TAC) COMMENTS - **30 minutes total time for this item**

6. IWVGA BOARD COMMENTS/DISCUSSION

7. CLOSING COMMENTS

8. ADJOURN

**IWVGA Policy Advisory Committee
DRAFT Communication and Engagement Plan (APRIL)
Recommendation for review and approval by IWVGA Board of Directors.**

INTRODUCTION

The Indian Wells Valley Groundwater basin is located east of the southern Sierra Nevada Range in southern California with an area of approximately 382,000 acres underlying portions of Inyo, Kern, and San Bernardino Counties. The Indian Wells Valley Groundwater basin is identified by the Department of Water Resources (DWR) as Basin 6-54 in Bulletin No. 118. The Indian Wells Valley groundwater basin is classified as a "medium priority" basin pursuant to the California Statewide Groundwater Elevation Monitoring (CASGEM) program and the Sustainable Groundwater Management Act (SGMA). The Indian Wells Valley groundwater basin is also classified as a "critically overdrafted" basin in Bulletin No. 118 interim update (2016), prepared by the DWR. As required by SGMA, all Bulletin No. 118 basins designated as "high" or "medium priority" and "critically overdrafted" shall be managed under a groundwater sustainability plan (GSP) by January 31, 2020, including the Indian Wells Valley groundwater basin.

GSA FORMATION AND PROJECT PROPONENTS

In July 2016, the Indian Wells Valley Groundwater Authority (IWVGA) was formed through a Joint Exercise of Powers Agreement for the purpose of forming a Groundwater Sustainability Agency (GSA) to manage the Indian Wells Valley groundwater basin and to implement SGMA requirements, including the development of the GSP. The IWVGA consists of the following voting member agencies:

1. City of Ridgecrest (a public agency)
2. Indian Wells Valley Water District (a public utility)
3. County of Kern (a public agency)
4. County of Inyo (a public agency)
5. County of San Bernardino (a public agency)

along with the United States Department of the Interior Bureau of Land Management and the United States Navy, Naval Air Weapons Station China Lake as non-voting associate members. The GSA and JPA formation documents are provided in Attachment 2 ("Eligibility Applicant Documentation").

The IWVGA conducts regular Board meetings (on a monthly basis) to support the development of the GSP for the Indian Wells Valley groundwater basin (i.e. proposed Project), present information concerning the GSP, and to receive input from the public attending the meetings. The IWVGA has created a Technical Advisory Committee (TAC) which meets on a monthly basis and will assist in the development of the GSP. In addition, the IWVGA Board has created a Policy Advisory Committee (PAC) which meets on a monthly basis and provides representation to all types of water users in the Indian Wells Valley groundwater basin on policy matters of the Board associated with SGMA (including the GSP). Through these committees and other means (see Task 12j), the public will be engaged to obtain input to the GSP. Throughout the development of the GSP, the IWVGA Board will receive input from the TAC, PAC, and the public, including input regarding the key Work Plan tasks which are identified and presented in the sections below.

According to Article 5.7 of the "Bylaws of the Indian Wells Valley Groundwater Authority" (Bylaws), dated May 18, 2017, the voting members of the PAC include water users from the following:

- 2 representatives from Large Agriculture
- 1 representative from Small Agriculture
- 2 representatives from Business Interests
- 2 representatives from Domestic Well Owners
- 2 representatives from residential customers of a public agency water supplier
- 1 representative from Eastern Kern County Resource Conservation District
- 1 representative from Wholesaler and Industrial User
- At least 1 representative from Disadvantaged Communities

One representative each from the Indian Wells Valley Water District, the United States Department of the Interior Bureau of Land Management, and the United States Navy, Naval Air Weapons Station China Lake are also included as non-voting PAC members. A copy of the Bylaws is provided as Attachment 3 ("Project Justification").

According to Article 5.12 of the Bylaws, the TAC shall be comprised on individuals representing PAC members, PAC membership categories, and the interests of basin landowners and water users.

During the formation of the IWVGA, a comprehensive listing of interested parties (including name, email, and phone number) was developed. The listing includes local community residents (including Disadvantaged Communities, Severely Disadvantaged Communities, and Economically Distressed Areas), businesses, large and small-scale agriculture, academic institutions, relevant state and local agencies, federal agencies, non-profit organizations, and community organizations. This listing of over 150 stakeholders includes representatives from all types of water users within the Indian Wells Valley groundwater basin and was used during the 17-month long GSA formation process for notification of public meetings, notifications, and updates related to discussions on the SGMA. This stakeholders listing will continue to be used during the development of the GSP.

Additional information regarding public outreach will be discussed in the Work Plan tasks (Section 3.0) and particularly in Section 3.12 Task 12j.

PURPOSE AND ORGANIZATION

The Indian Wells Valley groundwater basin resources are currently not sustainably managed. Overdraft conditions have existed since the 1960s as a result of groundwater pumping exceeding the sustainable yield. Disadvantaged Communities (DACs), Severely Disadvantaged Communities (SDACs), and Economically Distressed Areas (EDAs) overlying the Indian Wells Valley groundwater basin are particularly susceptible to adverse effects resulting from chronic lowering of groundwater levels because of the large number of shallow domestic wells in the basin; accordingly, mitigating the chronic lowering of groundwater levels through implementing the GSP is an urgent technical need. As a result of these conditions, and with the purpose of complying with SGMA regulations and DWR standards and guidance, the purpose of the Indian Wells Valley groundwater basin GSP Work Plan was established:

Purpose: Develop a Sustainable Groundwater Management Act (SMGA) compliant Groundwater Sustainability Plan (GSA) that provides sustainable management strategies that culminate in the absence of undesirable and unsustainable groundwater conditions within 20 years in order to provide long-term sustainable groundwater management.

GOALS AND DESIRED OUTCOMES

- Desired outcomes include, making use of local knowledge, creating improved outcomes, building trust, reducing conflict, increasing credibility, building partnerships, promoting stakeholder buy-in and broader public awareness, understanding, knowledge, and support for all voices and perspectives.
- Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
- Public participation includes the promise that the public's contribution will influence the decision.
- Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all.
- Public participation provides all with the information they need to participate in a meaningful way.
- Public participation communicates to all how their input affected the decision.
- Account for economic development and growth while protecting private property rights, water rights and health and safety.

COMMUNICATION OBJECTIVES

- The guiding principles of the Communication and Engagement plan are:
 - Commitment to open communication,
 - Inclusivity, and respect for all views
 - Assurances of two-way communication
 - Being clear about the process.
 - Individualizing contact as much as possible, to provide communication with every resident, landowner and business owner to the extent possible and the creation of meaningful opportunities for feedback.
- Enhance understanding and inform the public about water and groundwater resources in the Indian Wells Valley and the purpose and need for the GSP.
- Engage a diverse group of interested parties and stakeholders and promote informed community feedback throughout the GSP preparation and implementation process.
- Coordinate communication and involvement between the GSA (Board, Advisory Committees and staff) and other local agencies (including other GSAs) elected and appointed officials and the general public.
- Utilize the Policy Advisory Committee to facilitate a comprehensive public engagement process.
- Employ a variety of outreach methods that make public participation easy and accessible. Hold meetings at times and locations that encourage broad participation.
- Respond to public concerns and provide accurate and up-to-date information.
- Manage the community engagement program in a manner that provides a maximum value to the public and an efficient use of GSA and local agency resources.
- Giving stakeholders an opportunity to understand
 - The quantitative details of the imbalance between current groundwater recharge and groundwater uses (that imbalance being the GSA's overriding challenge)
 - The specific manner in which they may help develop a plan to create balance
 - Clear explanations of how the plan could affect all uses and users of groundwater in the basin.

PRESENTATION CONCERNS AND CHALLENGES

- A. Use of unfamiliar technical language and terminology
- B. Lack of attendance
- C. Access for non-English language users, hearing impaired and ADA compliance
- D. Lack of access to internet and reference materials
- E. Engaging people with privacy concerns
- F. Non- interest in the subject and apathy
- G. Absentee and out of basin landowners
- H. Temporary employees in the basin who own homes

I. Emphasizing the seriousness of the basin condition without being alarmist

OUTREACH METHODS AND NOTIFICATION

The following is guidance for the GSA staff and consultants to design the outreach plan based on the work plan milestones.

The following are methods that should be used beyond legal notifications:

- Individual mailings and newsletters
- Website updates and potential use of social media
- Public notices and display advertisements in newspapers
- Focused workshops
- Speaker Bureau for organizations identified with *. The bureau should include appointed people by the Board to accept speaker engagement requests and have focused messages and ability to answer questions.
- Evening GSA Board meetings to discuss milestone recommendations or any tax or regulations
- Hard copy materials along with CD should be placed in County libraries

Guidelines for Workshops:

- Provide a meeting venue large enough to accommodate expected attendance
- Night meetings preferred but focused workshop with a specific organization should be at the time preferred by the organization.
- Anticipate any request for translation and utilize headphone translation equipment if possible.
- Make materials available on the website either in advance or after the workshop.
- Make a clear explanation in any notice to the nature of workshop (Informational only or possible decision made based on public comments).

Notification List (contact names and phone numbers provided under separate cover)

Any mailing of information should include all organizations and contacts on this list. Any persons or organizations that wish to be added to the list should be directed to contact the JPA staff and they should be added to the list for the next notification mailing. Once established people and organizations should not be dropped from the list unless the mailing is returned as undeliverable or they specifically ask to be removed.

Service Organizations

American Legion*
BPO Elks Lodge*
DART
Democratic Club of IWV*
Exchange Club*
Fleet & Family Support Center
Friends of the Fair, Inc.

FO Eagles*
Goodwill
Historical Society/Upper Mojave Desert*
IWV Optimist Club*
Kiwanis International*
Knights of Columbus*
Lions Club*
Masonic Lodge
Oasis Garden Club of IWV*
RC Republican Women, Federated*
Rotary Club of China Lake*
Salvation Army
United Way of IWV
VFW*
Women's Center – High Desert, Inc.

Business and Advocacy Groups

Agricultural Property Owners Association – IWV
China Lake Alliance
China Lake Museum Foundation
Domestic Wells Owners Association – IWV
Greater Antelope Valley Economic Alliance – GAVEA
Indian Wells Valley Economic Development Corporation
Inyokern Airport District
Inyokern Chamber of Commerce*
Kern County Farm Bureau
Kern Economic Development Corporation
Maturing Museum
NARFE (National Active and Retired Federal Employees Association*)
RACVB
Ridgecrest Area Association of Realtors*
Ridgecrest Chamber of Commerce*
Ridgecrest Regional Hospital
Searle's Valley Minerals
Tron Chamber of Commerce*

Schools and Religious Organizations

Adventist Christian School
Calvary Christian School
Cerro Coos Community College
Immanuel Christian School
Liberty Christian School
Mountain View Christian Academy

Pilgrim Christian
Saint Ann School
Sierra Sands Unified School District
Sierra View Christian School
Soli Doe Gloria Christian Academy
The Bridge Learning Center

Tribal Representation

Cherokee Community of Central CA
Four Winds Inter-Tribal Council
Timbisha Shoshone Tribal Council

Utilities

Los Angeles Department of Water and Power
Pacific Gas and Electric
Southern California Edison
Southern California Gas

Local Government

ORIGINAL LIST PROPOSED

RC Police Dept.
RC/KC Fire Dept.
RC Branch, Kern Library
RC Post office
IYK Post Office
Tron Post Office
IWV Water District
Kern Sheriff's Dept.
BLM

RECOMMENDED PRESENTATION

City of Ridgecrest City Council
City of Ridgecrest City Manager
City of Ridgecrest City Attorney
City of Ridgecrest Planning
City of Ridgecrest Public Works
Indian Wells Valley Water District
Inyokern Community Services District
Inyo County Board of Supervisors
Inyo County CAO
Inyo County Counsel
Inyo County Planning Department
Inyo County Water Department
Kern County Board of Supervisors
Kern County CAO

Kern County Counsel
Kern County Planning and Natural Resources Department
Kern County Public Health
Kern County Water Agency
San Bernardino Board of Supervisors
San Bernardino CAO
San Bernardino County Counsel
San Bernardino County Land Use Services Department
San Bernardino County Public Health
Searle's Domestic Water Company

State Government

California Department of Water Resources
California Department of Conservation
Ridgecrest
 16th State Senate District (Jean Fuller)
 34th State Assembly District (Vince Fong)

Trona (San Bernardino County)
 16th State Senate District (Jean Fuller)
 33rd State Assembly District (Jay Olberholte)

Corner where Kern, San Bernardino and Inyo County meet
 8th State Senate District (Tom Berryhill)
 16th State Senate District (Jean Fuller)
 26th State Assembly District (Devon Mathis)

CA Military Caucus
Governor's Office
 Business & Econ Dev
 Governor's Military Council
 Office of Planning and Research

Federal Government

Ridgecrest
 23rd Congressional District (Kevin McCarthy)

Trona (San Bernardino County)
 8th Congressional District (Paul Cook)

Corner where Kern, San Bernardino and Inyo County meet
 8th US Congressional District (Paul Cook)

Senator Kamala Harris

Department of Defense NAWS China Lake
Department of Defense Navy Region South West
Department of Defense R-2508 Airspace Sustainability Office
Bureau of Land Management – Ridgecrest Field office
Bureau of Land Management – State Director – Sacramento

NAWC WD

RDML Brian Corey

NAWS China Lake

CAPT Paul Dale

CNRSW

DOD ASD EI&E

Don ASN EI&E

Developed by the Policy Advisory Committee (PAC) October 2017 to April 2018

LIST OF MEMBERS NAMES AND ASSOCIATIONS

PAC Report for IWVGA Board of Directors Meeting – March 15, 2018

The following actions and discussions took place at the March 1, 2018 PAC meeting.

Agenda item #2 – Review of those submitting Form 700. Only 4 PAC members need to submit their Form 700s .

Agenda item #3 – No public comment.

Agenda item #4 – Approval of February 1, 2018 minutes.

Agenda item #5 – Review of PAC Action Schedule. The discussion of the updated form was rolled into the discussion for Agenda item #6.

Agenda item #6 Potential Actions to Implement Components for Outreach Strategy (C&E Plan) – PAC worked to fill in C&E Plan outline.

Regarding C&E items #1.a. and 1.a.i., (background items relating to the background for GSA and GSP), Steve Johnson sent to the PAC some information from the Proposition 1 Funding application to be used for the C&E Plan outline. If the PAC needs further information we will contact the Water Resources Manager and IWVGA staff.

Based on an e-mail from Phill Hall with his clarification regarding the outline item 1.d. (Overriding concerns, major concerns or challenges) that the item related to challenges to the C&E plan, and not the GSP Plan, then he stated that he, for one, is fine with and welcomes the discussion (see attached copy of the e-mail). **The PAC asks if the others who expressed concerns about 1.d concur with the clarification by Phill Hall.**

I would like to recognize the work of David Janiec who presented a comprehensive and extensive handout identifying additional groups for communications outreach C&E item #2 (four pages in length). Other PAC members will provide additional input for the list.

I also commend Josh Nugent and Mojave Pistachios for assistance to Kern County to set up the IWVGA.org website.

I would also like to thank Lorelei Oviatt for her facilitation of the C&E Plan development.

The discussion will continue at the April 5, 2018 PAC meeting. We plan to finalize our C&E Plan for Outreach at the April 5 PAC meeting. Then we hope to finalize the template and have it ready to submit for IWVGA review/ approval/ discussion at the April 15, 2018 meeting.

Agenda item #7 Discussion and Responses to Questions From Water Resources Manager.

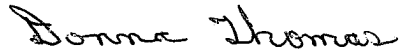
The PAC held a very cursory discussion of the 3 questions presented to us. (see attached copy of the e-mail. **The PAC members asked for clarification of Question #1 as to whether that request is under our purview. The PAC members need a more specific explanation of the “deliverable documents (written) to comply with the SGMA GSP”.**

Items #2 and #3 will be addressed in the C&E Outreach Plan. These questions will be placed on the April 5, 2018 agenda for additional discussion.

Agenda items #8 Future Agenda Items, and #9 Committee Member Announcements or Comments – no input from PAC members.

Meeting adjourned at 8:30 P.M.

Submitted by

A handwritten signature in cursive script that reads "Donna Thomas".

Donna Thomas, IWVGA PAC Chair March 6, 2018

Lauren Duffy(IMAP)

From: Donna Thomas <dcthomas@wildblue.net>
Sent: Thursday, March 01, 2018 7:54 AM
To: lduffy@iwwwd.com
Subject: FW: Final February 1, 2018 Minutes

Dear Lauren,

Please make copies of the PAC agenda and also copies of this e-mail received from Phill Hall after he reviewed the completed draft of the February 1, 2018 minutes of the PAC meeting. I believe that this e-mail addresses some of the discussion by PAC members of the directive not to discuss item 1.d. in the outline for the C&E Plan. Thanks.

Donna

From: Phillip W. Hall [REDACTED]
Sent: Wednesday, February 28, 2018 3:14 PM
To: Donna Thomas; Steve Johnson [REDACTED] Keith Lemieux
Cc: James Worth; Peggy Breeden; Lorelei Oviatt
Subject: RE: Final February 1, 2018 Minutes

Hello Donna –

Thanks for the minutes. In reading them, there appears to be some confusion over **1. d. Overriding concerns, major concerns or challenges**

I cannot speak for all that asked this item to be removed but I can say for me that Stan is really on to something. My concern was that this item could, and I did read it, to be concerned with GSP items that will require a major legal analysis such as pumping restrictions and how they should be prioritized. Obviously as we move forward pumping restrictions will be a one of, if not, our highest concerns in the GSP. I was also concerned that it could lead to a discussion of “desires” that we cannot fulfil through SGMA.

To answer the question asked. Yes, I have also read the Sample State CE Plan which your outline is copied from and I would note that item 1. a, 1. b and 1.c of that sample plan all expressly tie into the GSP. Thus, the logical assumption that 1.d is concerned with the GSP not the CE Plan.

If this item is as limited as Stan has suggested in the comment quoted below to concerns and challenges with successful outreach only then I for one am fine with and welcome the discussion.

Stan Rajtora said I don't think that's what they are asking for. They are asking for challenges to the C.E. Plan in particular the challenge to us in engaging. Not the challenges to the GSP Plan. That is a separate issue.

I hope that helps clarify the confusion.

Phill

Phillip W. Hall
Deputy County Counsel
(661) 868-3826

Donna Thomas

From: Steve Johnson <stevej@stetsonengineers.com>
Sent: Wednesday, January 31, 2018 4:26 PM
To: Donna Thomas
Cc: 'Lorelei Oviatt'; Lauren Duffy; Jeff Helsley; Stan Chen; Heather Steele; Steve Reich; Jean Moran; Karen Brunelle; Sherrie Johnson
Subject: PAC Meeting Thursday February 1, 2018

Hi Donna---I will be attending the TAC meeting tomorrow, but not staying for the evening PAC meeting. I want to try and make sure the PAC knows that their work is very important to the success of the SGMA GSP---and just because I am not present at the meeting does not mean that I/we do not value the PAC's contributions.

What I am providing below is not (specifically) on your Agenda---so care should be taken to limit PAC discussion beyond--here it is, have a look and we will discuss at a later PAC meeting. It can be handed out at the PAC.

These are 3 very general questions for the PAC to review, discuss and hopefully respond to. Comments or questions are certainly encouraged. Just an FYI---I also understand some of the PAC's past and current work is included in these questions.

1. To comply with the SGMA GSP, what are the "deliverable documents" (written) needed from the PAC? Review of SGMA and providing a list for IWVGA review and approval is a possible path.
2. What are the public outreach tools (technical, workshops, etc.) that the PAC feels are essential to its responsibilities? How will these tools be developed and maintained? Please provide a list and implementation strategy for IWVGA review and approval.
3. There are expected to be several technical items and decisions addressed by the TAC, that need "public outreach". Can the PAC prepare a draft list of these topics for "public outreach" for IWVGA review and approval? (The WRM has already provided several items from the TAC-- on to the PAC PAS for public outreach following TAC work).

If this review is helpful to the PAC---we can work on phasing the PAC's suggestions into the updated PAC PAS.

Thanks, Steve

IWVGA ADMINISTRATIVE OFFICE*Memorandum***TO:** IWVGA Board Members**DATE:** March 15, 2018**FROM:** James Worth, IWVGA Staff**SUBJECT:** Groundwater Pumping Fees to Finance Development and Adoption of a Groundwater Sustainability Plan and IWVGA Administrative Costs**DISCUSSION**

On January 18, 2018 (Item No. 13), the Indian Wells Valley Groundwater Authority ("IWVGA") Board of Directors ("Board") directed IWVGA staff to develop a fee proposal to finance the development and adoption of a Groundwater Sustainability Plan ("GSP"). The Board directed that the fee be based on volumetric usage of groundwater and be assessed on pumpers, with the exception of de minimis extractors.

On February 15, 2018 (Item No. 10), IWVGA staff outlined an initial concept to generate a revenue stream sufficient to finance the development and adoption of a Groundwater Sustainability Plan ("GSP") and associated IWVGA administrative costs. The initial concept identified several elements that warranted additional exploration by staff, clarifying direction from the Board, and/or input from the public.

Following staff's presentation on February 15, 2018, the Board directed and authorized staff to continue working on the development of a groundwater pumping fee proposal and to identify and develop the information needed for an actual proposal, pursuant to California Water Code Section 10730.

The elements of a proposed groundwater pumping fee identified by staff are as follows:

Authority to Impose Fees:

Staff recommends the IWVGA Board adopt a fee pursuant to California Water Code Section 10730 ("Section 10730"), which was enacted through the California Sustainable Groundwater Management Act ("SGMA"). Section 10730 grants a Groundwater Sustainability Agency ("GSA") the authority to impose a groundwater pumping fee. Section 10730(a) states in part as follows:

- (a) 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.

Public Engagement:

Before imposing a fee, a GSA shall hold a public meeting, “at which oral or written presentations may be made” (Section 10730(b)). The GSA must provide notice prior to the meeting, pursuant to California Government Code Section 6066, including the time and place of the public meeting, “a general explanation of the matter to be discussed and a statement that the data required by this section is available.” *Id.* At least 20 days prior to the meeting, the GSA “shall make available to the public data upon which the proposed fee is based. *Id.* After the public meeting, the fee shall be imposed or increased “only by ordinance or resolution.”

Although Section 10730 only requires the IWVGA to hold a public meeting, noticed and published pursuant to California Government Code Section 6066, staff was directed to develop a plan for public outreach that allows meaningful participation by the public. The plan should include a noticed workshop involving the Board, Technical Advisory Committee (“TAC”), Policy Advisory Committee (“PAC”) and the public.

Staff recommends scheduling a Board, PAC and TAC single workshop on April 5, 2018 from 6 pm to 8 pm¹. The IWVGA Board, through the Chair, would conduct the workshop similar to any other IWVGA Board meeting. The agenda would have one item for discussion, namely, “Discussion of Groundwater Pumping Fees to Finance Development and Adoption of a Groundwater Sustainability Plan and IWVGA Administrative Costs.” A staff presentation would be given at the beginning of the workshop. Members of the public wishing to provide comment would submit “comment cards” prior to commencement of the workshop and depending on the number of “comment cards”, reasonable time limitations may be placed on each speaker². PAC and TAC members would participate and comment pursuant to the same rules applicable to the public.

Staff is further recommending that the available draft “public data” required by Section 10730 be made available to the public seven days prior to the workshop to allow the public the opportunity to review and comment on the draft “public data” at the workshop.

At the conclusion of the workshop, the Board might authorize staff to provide and publish notice of the “public meeting” required by Section 10730 on a date to be determined by the Board. The Board would hold the required “public meeting”, consider any comments and ultimately take action on the proposed fee. This process would effectively provide the public

1 This is the scheduled time for the PAC committee meeting and the date for the TAC meeting so most PAC/TAC members should already be scheduled to be in Ridgecrest on this date. Staff believes the PAC meeting should be cancelled to allow the workshop to take place.

2 The “comment cards” are a request to speak only as public comment would be given orally, unless a written statement is provided.

with two opportunities to comment on the proposed fee and address the full IWVGA Board.

Impacted Pumpers Identification:

Existing pumpers who would be assessed the proposed fee are being identified using county records or other available public documents.³ Once complete, a list of the impacted pumpers will be included as Exhibit “A”. Once the fee is adopted, a process for assessing new pumpers who start operations after the fee is implemented should be developed. This process should include notification from the counties following the granting of new well permits.

Exempted Pumpers:

While the Board’s approved motion to develop a fee proposal did not identify federal groundwater extractions, United States Navy (“Navy”) and United States Department of Interior Bureau of Land Management (“BLM”) pumping should be excluded. SGMA exempts federal agencies from the requirements of SGMA and prohibits the imposition of fees on de minimis extractors unless regulated pursuant to SGMA.⁴

Gap Funding Requirement:

As the GSA for the Indian Wells Valley Basin, the IWVGA is required to adopt a GSP by no later than January 31, 2020. The IWVGA Water Resources Manager (“WRM”) has estimated that the total cost of developing and adopting a GSP to be about \$3.1 million. Additionally, as part of the Proposition 1 grant funding request, the WRM identified \$646,000 in costs for initial projects benefitting Severely Disadvantaged Communities (“SDAC”). On February 6, 2018, the California Department of Water Resources (“DWR”) announced its recommendation that IWVGA receive the full Proposition 1 grant award of \$2,146,000 -- \$1.5 million for development of the GSP and \$646,000 for SDAC projects. Finally, IWVGA staff estimates the cost of administering the GSA and validating the GSP through 2020 will be about \$261,500 and recommends establishing a prudent operating reserve equal to 20 percent of the total budget.

While the local match requirement for the SDAC projects grant award may be waived, the GSP development grant award requires a \$1.5-million local match. It is estimated more than two-thirds of the local match requirement can be achieved with in-kind services and existing investments by parties in the Basin.

The following table summarizes all of these estimated financial impacts resulting in a total estimated gap funding requirement of \$1,508,820, which the proposed pumping fee would address.

³ A groundwater sustainability agency, before imposing or increasing a fee pursuant to Section 10730 or 10730.2 relating to a groundwater basin that includes a water corporation regulated by the Public Utilities Commission, shall notify the Public Utilities Commission. [Cal. Water Code Section 10730.1].

⁴ For purposes of this Proposal, any reference to groundwater pumpers excludes de minimis extractors, the Navy and BLM unless otherwise specified.

EXPENDITURES	ESTIMATED AMOUNTS
Stetson GSP and SDAC Budget ⁵	\$3,748,600
IWVGA Administration through 2020	\$161,500
Misc. legal costs, including GSP Validation action	\$100,000
Reserve (20% of above Expenditures)	\$802,020
TOTAL EXPENDITURES	\$4,812,120
REVENUE	
Proposition 1 Grant Award ⁶	(\$2,146,000)
In-kind Services ⁷	(\$1,157,300)
TOTAL REVENUE	(\$3,303,300)
Total Gap Funding Required	\$1,508,820⁸

Calculation of Fees:

As previously directed by the Board, the standard volumetric fee would be imposed on each impacted well owner pumping groundwater and would be based on the amount of groundwater pumped. Fees would be imposed based on the amount of groundwater pumped in relation to the funds required to develop and adopt the GSP and the additional IWVGA expenditures identified above. The initial calculation of a per acre-foot ("AF") fee would be based on existing estimates of the aggregate annual groundwater extractions by impacted pumpers.

For example, estimated pumping by impacted pumpers for 2016 is 21,600 AF, as reported to the Indian Wells Valley Cooperative Groundwater Management Group. A groundwater pumping fee of \$50 per AF would generate \$1,080,000 per year and the required Gap Funding of \$1,508,820 would be met in approximately 17 months. The proposed fee would include a sunset clause tied to collection of revenue sufficient to fund the Total Gap Funding Requirement identified above. A further noticed public meeting pursuant to Section 10730 would be required to increase the amount of the fee if the Gap Funding requirement increased. Excess fees collected could be reimbursed on a proportional basis to fees paid.

⁵ Stetson Budget for Proposition 1 Funding Request

⁶ DWR Draft Funding Recommendations

⁷ Stetson Budget for Proposition 1 Funding Request

⁸ Potential Reimbursable Costs expended by the County of Kern, City of Ridgecrest and the Indian Wells Valley Water District from July 2016 through December 2017 are estimated to be \$1,086,944. If this amount is added to the required Gap Funding, a pumping fee of \$85 per AF would generate \$1,836,000 per year and the required Gap Funding of \$2,594,764 would be met in approximately 17 months.

Groundwater Pumping Measurement:

For those wells that have approved meters, groundwater pumping would be measured based on meter readings.⁹ Although the IWVGA has the authority to impose groundwater extraction fees, it will not acquire the authority to require metering of groundwater wells until the GSP is adopted. In light of this, the IWVGA should develop criteria and a procedure for measuring extractions by those non-metered wells. The Board tasked the TAC to review and provide recommendations on what the best method would be to monitor and measure the extraction of groundwater on wells which do not already have meters. The TAC recommendations will be included in the draft “public data” to be distributed prior to the Board workshop.

Fees Collection and Delinquent Account:

Water Code Section 10730.6 of SGMA authorizes the IWVGA to collect groundwater fees imposed pursuant to Section 10730 and provides multiple remedies that the IWVGA may pursue to collect delinquent accounts. It is recommended that all options available pursuant to Section 10730.6 be available to pursue delinquent accounts.

Fee Collection: The IWVGA would send monthly billing invoices to the impacted pumpers and require payment within thirty (30) days of the date of the invoices. Payments would be made to the IWVGA. Payments not made within thirty (30) days of becoming due would be considered delinquent.

Delinquent Accounts: Delinquent accounts shall be liable for interest at the rate of 1 percent per month on the delinquent amount of the groundwater fee and shall be liable for an additional 10-percent penalty on the delinquent amount of the groundwater fee. Additional remedies available to the IWVGA include, but are not limited to, (1) commence a lawsuit to collect delinquent fees, interest or penalties; (2) collect delinquent fees, interest and civil penalties under the laws applicable to the County of Kern; and (3) after a public hearing, order an impacted pumper to cease extraction of groundwater until all delinquent fees are paid. The remedies are cumulative and may be pursued alternatively or may be used consecutively.

Recommended Board Action:

Staff recommends that the Board:

1. Authorize staff to schedule a Board, PAC and TAC single workshop on April 5, 2018 from 6 pm to 8 pm.
2. Authorize staff to distribute the available draft “public data” to the public 7 days prior to the Board workshop.

⁹ The Indian Wells Valley Water District and SVM have meters installed on their wells. It is not presently known how many of the other impacted pumpers have meters.