

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

POLICY ADVISORY COMMITTEE MINUTES

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

Thursday, August 2, 2017, 6:00 p.m.

Members Present:

Ed Imsand, Patricia Quist, Nick Panzer, Renee Westa-Lusk, West Katzenstein, Lyle Fisher,
Donna Thomas, Steve Godard, John Kersey, David Janiec

Members Absent:

Tim Carroll, Don Zdeba, Rodney Stiefvater, Carol Wilson, Lorelei Oviatt, Ryan Klausch

1. CALL TO ORDER

The meeting was called to order by Chairperson Donna Thomas at 6:03 p.m. Renee Westa-Lusk took the roll call for attendance. A quorum was present after roll call of 8 out of 12 voting members present. A quorum is 7 out of 12 voting members. Patricia Quist arrived after the minutes were approved making the quorum 9 out of 12.

2. APPROVAL OF JULY 12, 2018 PAC MEETING MINUTES

The Chairperson Donna Thomas called for any corrections. David Janiec called for correcting what was stated by him on page 3 numbers 5 and 6. He stated the sentence "Attorneys should not be the spokesmen for the IWVGA if they do not have capability to communicate cordially" should be stricken and replaced with the following rewording:

5) Attorneys should not be the primary spokesmen for the IWVGA fee information meetings unless they have had risk communications training for public interaction. Attorneys presenting fees and penalties can be perceived by the public as intimidating. The communication should be done by the IWVGA staff or Board Members. When Steve Johnson of Stetson Engineering told the attendees at the July 10, 2018 public meeting "we will work with you" it was well received.
6) Explain you could be paying even more fees if the GA cannot complete the GSP. GSP development costs have been stated to cost \$55 per AF(acre foot) under the State of California management.

A motion by David Janiec and seconded by Steve Godard was made to approve the minutes as corrected.

Passed: 7 ayes: Panzer, Westa-Lusk, Katzenstein, Fisher, Thomas, Godard, Janiec
abstentions 1: Imsand nays 0

3. ANNOUNCEMENTS FROM CHAIR PERSON DONNA THOMAS

A) The Chairperson Donna Thomas read a letter from Lorelei Oviatt that answered questions that Donna had asked on behalf of the PAC to obtain well data needed to complete full well registration by the IWVGA. Below is a summary of points made by Lorelei Oviatt in her letter:

1) contact Amy Rutledge from the Kern County Public Health Environmental Health Division for well permit records. The county and state have provided all the information they have,
2) it is the responsibility of the WRM to compile and research well registration date, 3) the GSA

could look at every house permit (K.C. Building Department) not in the water district which would be labor intensive, 4) the cost of doing a mailer to all APNs would be \$8,000 to \$12,000, 5) go back to the public outreach document and consider using billboards, newspaper ads, and speaking engagements on an educational message to communicate to well owners, 6) Lorelei will be at the September 6, 2018 PAC meeting and 7) it is too early and too vague to discuss water allocation priorities.

B) The Chairperson Donna Thomas then read a resignation letter dated August 1, 2018 from PAC Member Carol Wilson. She stated she could no longer participate in the PAC due to conflict of interest with her professional pledge as a realtor to support private property rights as stated in the Code of Ethics of the National Association of Realtors. Donna Thomas will forward the letter to the GA Board.

4. PUBLIC COMMENTS (AGENDA ITEM NO. 3)

The Chairperson Donna Thomas called for the public to address the committee about matters NOT on the agenda. No action could be taken on non-agenda items unless authorized by law. Comments were limited to three minutes per person.

Judie Decker (Member of the Public) commented on the letters read by Chairperson Donna Thomas. Judie asked that the letters be part of the minutes and be attached to the minutes. She asked that it be brought to the attention of the GA Board some members of the PAC are not attending many meetings and that there are others who fit the designated appointed positions on the committee.

5. DISCUSSION OF AD HOC COMMITTEE REPORT ON POAM INPUT FOR PAC ACTION (AGENDA ITEM NO. 4)

(members: David Janiec, Nick Panzer, West Katzenstein) Nick Panzer member of the Ad Hoc committee referred to the 1 page hand out for item number 4 on the agenda which was the report from the committee on PAC POAM responsibilities. Nick read the report which had two sections referring to the July 13, 2018 POAM (the most updated version). The first section was to expand line 45 of the POAM to include 2 new subcategories with PAC responsibilities: a) prioritize groundwater uses and b) develop and answer key questions concerning Sustainable Management Criteria. The second section added the PAC responsibilities to line items 84, 89, 96-100, 101-105, and 106-109 to the POAM. All added responsibilities of the PAC to include the timely development and answering of related policy questions. The Chairperson Donna Thomas called for questions. The Chair stated she would attach this to her report to the IWVGA.

David Janiec made a motion to accept recommendations of the report of the Ad Hoc Committee on PAC POAM responsibilities to add the PAC to certain line items of the POAM and the Chair to send this report and brief the GA Board and WRM at the next GA meeting. The motion was seconded by Lyle Fisher. Chairperson Donna Thomas then called for public comment before the vote.

PUBLIC COMMENT

Derek Hoffman (Attorney for Meadowbrook Dairy) Member of Public stated he appreciated that it is being read out loud for the public to hear it. Mr. Hoffman made the following points: 1) he understands it is an important role for the PAC to discuss Sustainable Management Criteria, 2) he is not clear what the recommendation of the Ad Hoc Committee is, 3) he asked what is the

meaning or intent of the words “prioritize groundwater uses” in 1.a. of the report?, 4) he asked why is the recommendation to specifically insert this into the line item 45 of the POAM which must be completed by November 2018. To make this recommendation would suggest the PAC is to decide the water use priorities by November 2018. 5) he said he was just trying to connect the dots to understand the recommendation, 6) he stated he did not think this was appropriate if this is the intent of the recommendation, and 7) he said he is not clear what is intended by priority groundwater uses”.

Donna Thomas Chairperson responded with the following points: 1) she said we are not clear on this either, 2) she had not seen “water use allocations” at all in the POAM, 3) the only time she saw it was today in the preliminary draft GSP outline and it is way down toward the end of the process, 4) she was unclear why it was being brought up so early, and 5) she said it will be brought up at the next meeting when Mr. Markman comes to the September 6 PAC meeting.

David Janiec (Member of the PAC) responded saying Mr. Markman (attorney) was originally scheduled for this meeting and what this reflects is what was originally on for today's agenda has now been postponed for the next meeting. We had a bit of discussion on what Derek had brought up at the last meeting. On the proposed agenda item was “allocations” word the Ad Hoc Committee objected to that. We redefined and focused on priority. Our discussion from last time was starting with prioritizing water uses not making allocations. This was intended as a clarification of that first tasking. We thought it appropriate taking on prioritizing relative water uses per discussion we had last time. Beginning and end dates should be a separate one under it for the PAC participating in it. We did not intend to set beginning and end dates. We are not deciding we are making recommendations to the GA.

West Katzenstein (Member of the PAC) responded to Mr. Hoffman's question (what does pumping allocations mean?) saying we tried to soften the language a bit. We were told there will be a lawyer here next month that will explain what our tasking is on pumping allocations. You may have heard at today's TAC meeting. That is where we will get our clarification.

Derek Hoffman Member of Public (attorney for Meadowbrook Dairy) stated priorities and allocations are both subjects of law too. He asked what are you intending to accomplish by making recommendations on what a priority of use is?

David Janiec (Member of PAC) responded that is what we expect we will find out from Mr. Markman when he makes his presentation next month September 6th. We hear your concerns in regards to “allocation”.

Elaine Mead Member of Public stated what the PAC needs to do now is just identify the different uses instead of addressing allocations or prioritization . In reality allocations and prioritization mean the same thing. This may be a way to start working on this without being offensive or messing with the water law.

West Katzenstein (Member of PAC) said I think the first thing we should do is identify uses first and wait to prioritize uses later. If start with priority of uses there may be several recommendations that come out of the discussion representing different interests. The value early on is to start the discussion for the benefit of the GA. There may be lawyers hanging around when the final decisions are made. We need to follow the math where it leads us and where the water leads us and take those family of recommendations to the GA for their benefit.

Josh Nugent Member of the Public (Mojave Pistachio Farming) made the following points: 1) start with identifier discussion on groundwater uses, 2) once start prioritizing or allocating there is no way you can go there without following where the other foot is following right behind, 3) as soon as this group identifies this use is better than this use the next logical step is as allocation comes around you are going to put priority of this use over this one, 4) we haven't gotten to how much water there is, what the uses and users are, 5) there is some disagreement on the outline of our basin, 6) a lot more technical work needs to be done so we can be in agreement

on some of the facts, 7) if we can get the facts we agree on then we can start the necessary heavy discussion of what this basin will look like in 20 or 30 years or 100 years, 8) it is premature to get there before the TAC and PAC brings forth information, and 9) he stated he appreciates the PAC taking this discussion on as this is the red meat that we are all biting on a different part of .

Patricia Quist (Member of PAC) made the following points: 1) as soon as start prioritizing you start picking on everybody's personal issue. These guys are going to prioritize, I am going to prioritize etc., 2) everybody here in this room is here with their own agenda, that is no big shock, 3) as soon as start affecting peoples' livelihoods you need to understand what they are facing when you do this, does this make sense to you guys?, 4) if simply list water uses that may be alright, I totally think it would work, at least you have identified where the water is going or a least some of it, 5) I personally think there are some untouchables in this valley that no one has talked about that use water but never show up at meetings and use significant water so when you drag those in let's see what they have to say, 6) as far as farming is concerned we have a significant investment all of us not just speaking for myself, we have significant investment not just in money but in blood, sweat and tears and a lot of it, 7) as soon as you affect what we have to do we have a timeline that we have to work toward our business; we have banking, labor, supplies, and it goes on and on so as soon as you do that our minds all start to work for examples a) do we buy that new tractor? b) what do we do with that load of fertilizer that will become hazardous waste if we can't use it? Nobody will buy it from us. Companies don't buy it back., 8) we start going down that road and if you do that you will polarize this group and I am going to tell you it will happen alright, 9) so take it a little bit slow don't rush it people need time to adjust to these things, 10) we farmers in business need a 5 to 10 year plan we're in this game too, we are sitting at the table just work with us, that is all we ask, work with us, give us time to adjust so we don't have dust issues, 11) what's going to happen if you fallow ground? does anybody know? I do. I guarantee you it will blow and anyone in this room who watched McGee clear that ground and was subject to that dust ought to have a brain in their head where that's concerned, 12) let's be smart about this, let's not rush into it, I'm not saying don't do it, let's take a step at a time, make sure what the water is, let's make sure what we need to do, 13) and then we'll move forward and we will need a timeline that if you are going to phase out a business no matter what your business is you need a timeline okay.

Steve Godard (Member of PAC) said I couldn't have stated it better than Pat or others who have spoken previously in the public realm. From the Searles Valley Mineral(SVM) perspective we also have a lot at stake. We have livelihoods of a lot of families who live in Ridgecrest and our business to look after. Similarly we would like some business timeline to ramp down or ramp into the effects of such decision would create or decision that would come about from as the result of the GSP. I don't see what discussing recommendations to prioritize at this point would do? On what basis would we proceed on that? I don't see any point on going to that currently. We could together discuss water use. I think this is a fairly simple exercise . We can discuss this in context to what Mr. Markman tells us and see what other precedents are being set by some of the other basins and GSPs.

Ed Imsand (Member of PAC) stated: I concur with Steve and Pat. He further stated: I am very happy we are going to get some education on this at the next meeting or two on these kinds of issues. Having been through adjudication in Mojave it is a long hard process and it takes a little bit of education.

David Janiec (Member of PAC) stated he was looking forward to Attorney Markman's presentation/discussion next month and then deciding exactly how far and how fast we want to go. We can agree that at least identifying uses after Mr. Markman speaks to us probably is the first step we can do. He stated: 1) when we started on the topic of prioritizing uses the Ad Hoc committee did not like the "allocations"word, 2)we have an opportunity to get educated at the

next meeting, let's see our options and impacts so we will be better prepared, 3) we just got a meaningful task after next meeting and we can control the timeline.

West Katzenstein (Member of PAC) let's start at uses, the timeline for implementation will be set by the GSA and it will be done in time phases for everyone to adapt. See what the lawyer has to say then proceed with the talk, focus on uses, stay clear of priorities. No talking timeline here only talking uses here.

Nick Panzer (Member of the PAC) He referred everyone to his 4 page handout he wrote for the Ad Hoc Committee meeting. He made the following points: 1) three of the four pages are his abstractions of the water codes and the SGMA regulation key words as it relates to the Sustainable Management Criteria (SMC), 2) this hand out underscored what was key to him (Nick Panzer) in formulating in his opinion the relevant questions and tasks in making his contribution and it is reflected in No. 1. in the Ad Hoc Committee report, 3) Nick's vision would start here at the PAC on those criteria based on "significant" and "unreasonable". All those sustainable indicators have those 2 words., 4) the TAC is working with facts, figures, formulas, and we are working with "criteria", 5) from listing of uses, must state current and historical actual uses by sector and you have to run a timeline of 50 years. He thought we agreed whether our sustainable yield now ranges from 0 to 4 to 7.7 to 10 AFY not 27 AFY. So prioritization will have to be made by somebody, 6) the toughest job is "allocation", it goes 1,2, and 3. We need to be prepared to take it to that level and that is a call for the GA. The technicians and accountants can show what the historical uses have been and project out, 7) we the PAC can suggest. Somewhere the PAC or the GA will start this process. He said leave it to the GA to take or ignore our recommendations. The GA will ultimately have to assume responsibility for "allocation" whether or not this group (PAC) gets that far. It starts with uses, 8) as far as investments we all have a stake in this and it is big. If you own a house or a lot of land and there is no water available you are going to lose a lot of money. Everyone in this valley that owns property has tens of thousands of dollars invested in their property. His point is that it is not unique to agriculture industry, 9) we all represent our own interests, I represent residential rate payers, I have some 30,000 constituents plus and most of them have a significant financial stake. The value of their stake could change fairly significantly and that is why he (Nick) believes we must move forward.

Josh Nugent (Member of Public) represents his family farm Mojave Pistachio stated his family's farming business is over in the central valley dealing with 12 different water districts, 6 to 7 GSAs spread across 3 counties developing their GSPs. His family farming business is getting exposed to a lot of ways others are dealing with. He gave an example of Rosedale /Rio Bravo Irrigation District they are a pumping only district all are on individual wells. They have decided on giving an allocation to everyone whether they are residential or AG of 1.5AF/year per each well because their hydrology is different. If you pump above that use they will charge \$461 per AF which is deposited into a fund that is then used to buy out a set price of \$21,000 an acre of existing farm or residential land. He further stated the following: 1) I am not saying it would work here. 2) The point he said he is making that this is a totally different approach that doesn't involve direct allocations. We could import water. We could use the brackish water system for a length of time to allow people to retire their farms or make other choices with the fund the GSA sets up, 3) I do not think we have explored that there are hundreds of ways to go about avoiding undesirable results. SGMA doesn't say we need to allocate to get there. Allocation is just one way to get there. I do not think we are there yet.

Elaine Mead (Member of Public) she said SGMA does not change California water law. She also said everyone has a right to water. This is one thing we cannot push aside.

Derek Hoffman Attorney for Meadowbrook Dairy (Member of Public) He said he agreed with Josh Nugent and Elaine Mead. He said he was responding to comments by Nick Panzer . When

you talk about discussion items the meaning of “significant” and “reasonable”, what you are talking about is Sustainable Management Criteria (SMC). Included in SMC you are talking about: 1) lowering groundwater levels, 2) water storage, 3) water quality, The question of what is significant and reasonable applies to that issue. The question about “allocations” is totally different issue. What I hear you say today and what you said last month is that you want to talk about priorities so you can get to allocations. Those are two different issues. SMC priorities and allocations categorically different. So I think that is why you are getting some of the reaction you are hearing today. I would caution you about talking about the latter group before you have sufficient data and information about the basin and what the SMC will be for the basin.

Judie Decker (Member of Public) stated the following: 1) recommends the Ad Hoc Committee for PAC POAM responsibilities meet again and give more detail to your report, 2) we all agree the GA staff and Board at times put their foot in their mouth i.e. botched public meetings, 3) there is a timeline to follow by Steve Johnson WRM, go carefully, 4) there are no technical reports yet to back up what you say, and 5) don't get carried away until you have a technical report to back you up.

Nick Panzer (Member of PAC) responded to Judie Decker's comments: 1) in the Ad Hoc Committee report see “develop and answer key policy questions”. He said he answered these himself but it needs many more inputs, 2) everyone needs to ask what the key policy questions are?, and 3) this is anticipated under SMC.

West Katzenstein (Member of PAC) said the word “allocation” was given to the PAC by Steve Johnson WRM. We tried to soften the language.

Donna Thomas (Chair of PAC) stated the following facts: 1) this Ad Hoc Committee was supposed to update PAC responsibilities on input on the POAM line items, 2) she did not see “allocations” anywhere on the POAM, 3) the only place she saw allocations was today at the TAC meeting when a preliminary draft GSP outline was presented. The “allocations” were listed toward the end in Section 3.1.5 “Evaluation of Potential Management Actions” subcategories listed a) pumping restrictions/allocations, b) development of scenarios, c) selected allocations/scenario.

Nick Panzer (Member of PAC) I have not seen an answer or question from DWR mentioning allocation. I saw July 3 memo to Chairman Thomas from Stetson Engineering on schedule originally for tonight.

John Kersey (Member of PAC) said it is definitely a subject to be covered but it is a point of contention. Uses, priority we are bouncing back and forth on these topics why not go to SWRCB and DWR and get these questions answered for everybody? He asked does the SWRCB and DWR even require allocations? Is it a requirement of the GSP? What is the State's position on this? He recommended the Ad Hoc committee to contact the SWRCB and DWR and get these questions answered. He requested the Ad Hoc Committee invite representatives from SWRCB and DWR down to answer these questions.

David Janiec (Member of PAC) stated two points relevant to this discussion: 1) we rejected the “allocations” word. We had a tacit agreement, let's do prioritization and start with uses that is what 1.a. in the report was intended to be, 2) after we found out subsequent information to tonight from postponed meeting with Mr. Markman what the attorney was to present was information that would allow us to start on 1.a. If we take up this motion to accept recommendation of Ad Hoc Committee we can decide how much further we can go after next meeting after having that information from the attorney. David Janiec stated he agreed with John Kersey “allocation” is only one of many options to come out of this plan. If we get other solutions we may not need to go all the way there to allocations. We have already said we are not doing “allocations” this point in time. We will start at best with “use”. We are going to be

informed, the intent is to get informed as to current law, current prioritization from multiple cases from experience this attorney will present next meeting including all negative factors of lawsuits that come out of this as clarified in the TAC meeting today. What we are taking up is to start down the path having been given one of the meatiest tasks this group will continue to iterate it as also written in 1 page Ad Hoc report as we see fit for the tasking. If we want to stop with “these are the water uses” having given that information we certainly have that in our ability.

West Katzenstein (Member of PAC) stated: I suggest we remove the word “prioritize” in 1.a. and replace with “identify”.

David Janiec (Member of PAC) stated: I would like to hear more discussion and I will consider amending my motion. Does most of the PAC agree that is what we like at this time in interest of clarity to the public as to what we are taking as a first step?

David Janiec (Member of PAC) reworded the motion. He then repeated the motion for the benefit of all the PAC Members.

Ed Imsand (Member of PAC) stated a question “as a note that this has already been passed to the PAC as “pumping allocations” does that still stand?”

Donna Thomas Chairperson of PAC said yes because it has already happened.

Ed Imsand (Member of PAC) then asked is it because Steve Johnson the WRM? Steve Johnson WRM passed it to the PAC under “pumping allocation” as a task in memo.

Donna Thomas (Chairperson of PAC) responded yes because Steve Johnson the WRM.

David Janiec (Member of PAC) stated Madame Chair it could be part of the motion if the committee agrees to it “that we have already objected to the word allocation at this time and think it is premature. So we are going to start with “identify groundwater uses.” That is why we phrased the first sentence that way in the report.”

MOTION TO ACCEPT AD HOC COMMITTEE REPORT ON PAC POAM RESPONSIBILITIES

David Janiec reworded his first motion to accept the Ad Hoc Committee 1 page report on POAM Input for PAC Action responsibilities with the exception of changing the first word in paragraph 1.a. instead of “prioritize groundwater uses” replace with “identify groundwater uses”. The motion was seconded by Lyle Fisher.

Passed 7 ayes: Panzer, Westa-Lusk, Katzenstein Fisher, Thomas, Godard, Janiec

2 nays: Imsand, Quist 0 abstentions

6. DISCUSSION OF AD HOC COMMITTEE REPORT ON OPTIONS FOR ADDITIONAL GSA FUNDING SOURCES/GRANTS (AGENDA ITEM NO. 5)(members of this Ad Hoc Committee: Steve Goddard, Donna Thomas, Renee Westa-Lusk) Listed below are the funding categories with details and handouts researched by each member.

A. FUTURE NEW FUNDING U.S. NAVY 2019 NDAA

Steve Godard referred PAC members to the July 28-29 Daily Independent press release whose contents was described in a 1 page memo written by Steve Godard that was in the PAC agenda packet. Steve then explained he found out in the TAC meeting earlier in the day that this funding had been approved by both houses of Congress. He then handed off the discussion to David Janiec (PAC Member) who is one of the pivotal persons involved with getting the funding written into the 2019 National Defense Authorization Act (NDAA).

David Janiec opened with a summary of the history of the legislation. The press release in the July 28-29 Daily Independent was issued by Congressmen McCarthy and Cook after the House voted on the 2019 NDAA conference committee (of House and Senate). The U.S. Senate had not voted on it at the time of the press release. Then Wednesday August 1 the Senate passed it and it is now on the President's desk for him to sign, his signature expected in the next week. This morning Scott O'Neil and David Janiec did a local press conference with the assumption it

will be signed into law. David Janiec then gave a history of the sources of the new funding as follows: 1) starting in 1987 the Coso Geothermal plant has been operating on Navy land developed via technological research done by China Lake NWC and then privately developed. 2) It has been selling electricity into the Southern California Edison grid. 3) From that, royalties from revenues have been coming back to the U.S. Navy in the amount of \$15 million per year under the current Power Purchase Agreement (PPA). Those \$15 million have been going into the U.S. Treasury and then disbursed to the bigger Navy funds. 4) A very low percentage of that has been designated for projects at China Lake itself. A few million have come to China Lake over the years but were limited under Title X U.S. Code to Mil-Con and Energy only projects. Projects on base were only eligible.

David Janiec then explained the meaning and major impacts the legislation has on Title X U.S. Code and China Lake in the following statements:

-This legislation modification was submitted by Congressman Cook. The Coso Geothermal plant as well as the China Lake Ranges are actually in Congressman Cook's district not in Congressman McCarthy's district. Congressman McCarthy had a heavy role in pushing this legislation through the House.

-Put in to insure that 50% of royalties from revenues are now designated for use by the installation in which the geothermal plant is located in.

-Title X U.S. Code is now modified to put 50% net revenues in a separate fund for use by China Lake to address energy or water security issues.

-Allows for use of funds for projects done off base in concert with local government agencies for example the IWVGA, but prioritized by China Lake.

-Funds are under stewardship of the U.S. Navy and they are not appropriated funds so they are not subject to the annual legislative appropriation or budget process. They are private royalties that go back to the Navy budget so they do not expire like appropriation funds do. These funds are a continuing revenue stream to the Navy and China Lake under the statute.

-These funds cannot be used for funding the GSA, the GSP or for administrative purposes but may be used in coordination with the GA and China Lake to prioritize and fund projects identified in a GSP that otherwise locally might not have had the resources available for from our community.

-The funds will not substitute for fees for the development of the GSP.

-The funds will provide a potential resource that the GA will work with China Lake on projects that are relevant and can be prioritized to meet the security needs of the base.

David Janiec concluded with a summary explaining intent, goals and moving forward with the following points:

-The intent of this whole thing has been to find a credible source of funds to support GSP identified projects that can be prioritized to meet the base mission and water security requirements.

-This concept was conceived when the EDC and the CLA were still one corporation. It was critical to get it in the 2019 NDAA so it had credibility to go into potential projects planned in a GSP that has to be completed in less than 18 months from now. This is just a start to the solution, there are lots more parts to the solution.

PUBLIC COMMENT

Earl Wilson (Member of Public) asked does this mean infrastructure projects only?

David Janiec (Member of PAC) responded saying we believe for example that monitoring wells would qualify as infrastructure and other things like a study whether it would qualify under the language of the legislation not sure. In a conference question it came out the money is not eligible for buyouts.

Earl Wilson (Member of Public) asked are they limited basically to basin studies and

infrastructure inside the fence?

David Janiec (Member of PAC) The funds are assigned to China Lake, everything has to be designated as a project, it included language that eliminated the on base only requirement, infrastructure projects are covered as long as working with a local government authority and it must meet base needs and priorities.

B. PROPOSITION 3 WATER BOND NOV. 6 BALLOT, BOR FUNDING, WIFIA LOW INTEREST LOANS FROM EPA

Renee Westa-Lusk explained that there is going to be **Proposition 3** on the California November 6, 2018 ballot which will authorize bonds to fund projects for water supply and quality, watershed, fish, wildlife, water conveyance, and **groundwater sustainability** and storage. She referred to the legislative analysts report (the handout she gave PAC Members). On page 2 of the report it shows 1.085 billion set aside for clean up, recharge, and management of groundwater. Most of the funds would be distributed through grants and grant recipients would have to provide at least \$1 in local funds for each \$1 grant funding they receive. The total bond is for \$8.877 billion. Renee said from her research there are funds on the federal level available for water projects local communities can apply for through the Bureau of Reclamation (BOR) via the WaterSMART program. Also on the federal level there is a low cost loan program through the EPA(Environmental Protection Agency) called the Water Infrastructure Finance and Innovation Act (WIFIA). It provides long term, low-cost supplement loans for regionally and nationally significant projects. The EPA wants to help communities that need relief in the form of low-cost federal loans to accelerate investment in water infrastructure by providing loans.

C. AG USERS GRANTS, IM-IRWM SIGNATORY GRANTS, CFCC (GRANTS) BOOKLET

Donna Thomas referred to the 1 page hand out she created contained in the agenda packet. She explained one of her sources was the California Funding Coordinating Committee (CFCC) Booklet which has funding sources such as grants through 2 federal agencies and 5 state agencies. (See CFCC page references next to funding sources on hand out.) She mentioned workshops on funding in southern California August 29 and 30 that are free of charge.

She gave a summary of each category of funding sources she researched or recommended to the committee to research. Here are the results of her summaries:

AG (agricultural) Users (Donna gave 2 hand outs to Small and Large AG PAC Members)

CDFA (California Department of Food and Agriculture) offers these grants to agricultural water users:

1)SWEEP (Statewide Water Efficiency and Enhancement Program) which provides farmers and ranchers with grants to implement irrigation systems that save water and reduce greenhouse gas emissions.

2) HSP (The Healthy Soils Program) offers grants to farmers who take action to capture greenhouse gas emissions such as carbon dioxide in the soil to help combat climate change.

The HSP is implemented under: a) incentives program and b) demonstration projects.

Recommended the PAC research funding options for purchasing and installation of domestic well water meters from the following:

-California Rural Water Association (CRWA)

-Southern California Edison (SCE) foundation funding

(Desert Mountain Resource Conservation and Development Council has administered SCE Foundation Grants before). SCE grants are usually small.

Inyo-Mono Integrated Regional Water Management (I-M IRWM)SIGNATORY GRANTS

-contact Holly Alpert Director of IM-IRWM she is soliciting ideas for potential projects for their next round of grant funding. They will be meeting in August or September.

-this is locally applied for, this is a venue for DAC to get funding for projects.

- IRWM is funded through Department of Water Resources (DWR)
- only signatories can suggest projects or be awarded a grant project
- the following are signatory members of IM-IRWM in the Indian Wells Valley:

Indian Wells Valley Water District

East Kern County Resource Conservation District

Desert Mountain Resource Conservation and Development Council (grant writing)

- others can apply to be signatories if have an idea for a project

California Financing Coordinating Committee (CFCC) funding booklet

The last 6 sources of funding listed on the lower half of the 1 page hand out are from the CFCC booklet and have page numbers listed. All of these potential grant funding sources grant cycle has closed for 2018 and are awaiting for the next round of grant cycles to open for 2019. Donna stated we need to research the following:

- State Water Resources Control Board (SWRCB)-storm water capture and use CFCC page 59
- SWRCB and USDA-household well repair, well rehabilitation and replacement CFCC page 67
- US Bureau of Reclamation (BOR)-WaterSmart water marketing grants CFCC pages 71&73

These are some of the ideas for funding. The PAC Ad Hoc Committee on Options for Additional GSA Funding Sources will meet again to research foundation giving and other private group funding. The Chairperson Donna Thomas will attach 1 page hand out to her PAC report to the GA.

David Janiec made a motion to accept the recommendation of and attach as written the Ad Hoc Committee report on options for additional funding sources/grants and to provide immediately to GA as part of task group as written. The motion was seconded by Patricia Quist.

The Chairperson Donna Thomas then called for public comment

PUBLIC COMMENT

Stan Rajtora (Member of Public) 1) He stated he agreed with funding meters for wells with some type of a grant. If we could do something like that we could get people to register their wells. Anything to get money for meters would be well worth the time and effort. 2) He thanked the subcommittee for all the work put into finding funding. 3) I am one who has been an advocate for some time to have a finance committee and a finance staff as well for the GA. If there is a way that the PAC could come out in favor of having both a finance committee as well as hiring a finance director or staff that could put together grant or loan applications I think it would go a long way to keeping our groundwater authority solvent.

Chairperson Donna Thomas replied we need technical assistance on: 1) how many water meters would we need, 2) cost per meter, 3) installation costs, and 4) some financial information on how much money we would need for that.

Earl Wilson (Member of Public) stated he had been a member of the Indian Wells Groundwater Management Group since early 2010. He gave two examples of projects they approved and got funding for: 1) June Lake had uranium contamination and their new water processing plant was for that and 2) the same thing with Coalville their high school had a problem with radioactive same stuff. He then gave an example of a Disadvantaged Community (DAC) the Piute Tribe in Bishop submitted for a water project to manage their water system. Earl further stated there are a lot of projects in the system. Projects must get rated. Like Madame Chairperson was saying our water district got their "cash for grass" program from these grants.

West Katzenstein (Member of PAC) said regarding water meters I think there are some excellent suggestions and I think they would want guidance from the TAC on appropriate water meters so we don't mispend the money if we get it. A question in my mind some day if they want to go with remotely readable water meters like the IWV Water District has and this would also be a question for the TAC. Make sure we get guidance from TAC on what sort of water meters we

should get.

Donna Thomas Chairperson of PAC Let's just say these are our ideas, we've done the research, we are not necessarily going to write the grants.

Ron Kicenski (Member of Public) IWVWD Board Member reminded everyone at that last IWVGA meeting Chip Holloway got up and offered the services of handling grants, looking for grants, and writing grants. He asked to be reminded of the name of the organization.

The Desert Mountain Resource Conservation and Development Council a 501C-3 non profit organization offers grant writing. Chip Holloway is President of the Board of Directors of the organization. He said Chip is willing to step up and there are other organizations that do grant writing as well. I am hoping the GA will review his proposal it is so important.

Donna Thomas Chairperson of PAC stated Desert Mountain Resource Conservation Development Council is currently the fiscal agent administering the current IRWM proposals for 6 different proposals within the Inyo-Mono Region. They know how to do the 50% advances, the reporting requirements, and the invoicing.

David Janiec (Member of PAC) said Madame Chair we have a motion on the floor.

Renee Westa-Lusk (Member of PAC and minute taker) asked David Janiec to repeat the motion.

MOTION TO ACCEPT REPORT OF AD HOC COMMITTEE ON OPTIONS FOR ADDITIONAL FUNDING SOURCES/GRANTS

David Janiec motioned the entire committee is endorsing the Ad Hoc Committee report (on options for additional GSA funding sources) on the tasks given to us to identify potential future funding sources and to attach this report to Donna Thomas's report to the GA. The motion was seconded by Patricia Quist.

Passed 9 ayes: Imsand, Quist, Panzer, Westa-Lusk, Katzenstein, Fisher, Thomas, Godard, Janiec
0 nay 0 abstentions

7. WRM PARTICIPATION IN PAC MEETINGS (AGENDA ITEM NO. 6)

Chairperson Donna Thomas read an email letter response from Steve Johnson the WRM that was forwarded to all PAC Members. Donna had sent after the July 12 PAC meeting a request to the WRM from the full PAC inviting the WRM to attend all of the PAC meetings. The email explained he was not attending the August 2 PAC meeting. He plans to be at the September 6, 2018 PAC meeting where Attorney Markman is scheduled to speak on "water allocations". Mr. Johnson explained that attending PAC meetings has GA cost implications costing an overnight stay. He said participating by phone /Skype is a possibility but it might be difficult because he is usually traveling after the TAC meeting and while the PAC is having their meeting. Steve Johnson added he is concerned about GA costs and minimizing Stetson's costs.

8. OUTREACH STRATEGY FOR DAC INVOLVEMENT (AGENDA ITEM NO. 7)

Chairperson Donna Thomas postponed this discussion: 1) due to the absence PAC Member Tim Carroll who represents the Inyokern area DAC and 2) because she would like to have Holly Alpert Director of the Inyo-Mono Integrated Regional Water Management. The IRWM is currently administering a DAC grant for the Lahontan Regional Water District area. There is some opportunity for funding meetings or workshops to encourage DACs to be involved with GSA processes. We could set up some work shops because IRWM is working with the CA Rural Water Association on the Lahontan RWD funding proposal. Have met with once the Inyokern CSD to discuss their needs that might be covered in that funding region of DAC. In Prop 1 there are 2 separate projects: 1) identifying and repairing leaks in water system in DAC designated areas and 2) to do rebate programs for purchase of appliances that will assist with water conservation efforts. The Chairperson has read information on the proposals for themselves and

are planning to put those DAC proposals out as RFPs to hire contractors to conduct those programs. One of them did include Searles Valley even though not mentioned in original proposal itself and it was mentioned in the RFP. However RFPs will not go out until the grant agreement is signed with DWR. The Chairperson said we should set forth some ideas for outreach to these designated DAC areas, let them know of these grant funding opportunities and suggest some workshop meetings. If we can get Holly Alpert to come down and get Tim Carroll here who are more directly involved with the DACs we could have a better discussion on those items.

9. TAC RECYCLED WATER TECH MEMO REVIEW BY PAC FOR ANY POLICY ISSUES (AGENDA ITEM NO. 8)

The Chairperson called for comments from PAC members to find out if they found any policy issues after reading over the study done for the TAC on water recycling projects that could be considered in the IWV. She said at the TAC meeting earlier in the day comments on the TAC Memo are due by August 10 to the WRM.

Lyle Fisher stated he saw no policy issues but noticed other issues and commented as follows:

- the TetraTech report done for the Navy is a big deal for the TAC when the TAC starts doing the water budget.

- included in the TetraTech report was the shallow aquifer on the eastern side of basin “onto the playa” isolated from the deep aquifer on the western side of basin where we get our water from.

- everything that has been done in the past with models and water balances: you take the estimated recharge and subtract the known pumping from it and then subtract “evaporated on the playa” or the discharge and that has to equal zero (an equation).

- if shallow aquifer and deep aquifer are isolated from each other what does that tell you about evaporation “on the playa” doesn't look very good, you can't have it both ways.

- you either have evaporation “on the playa” or that is isolated, the upper aquifer is isolated from the lower aquifer.

- if there is no evaporation “on the playa” everything that has been used in the past for quantifying discharge “on the playa” has to be removed

- if you remove that what do you do to the recharge? The recharge has to be reduced.

- in one of the models (the Brown/Caldwell) model the water district used 10,000 AFY for evaporation “on the playa”

- always end up with residuals when run the model; I understand the residuals always seem to show what doesn't fit your scenario of what you have left over.

- the residuals all showed there was too much water in the west and not enough in the east, what does that say?

- it says you are using too much recharge and it also says you are using too much discharge

- so that's what I suspect the DRI model will have all this included when they run the model I think some of this will get resolved, will show a better understanding

- this thing of the upper aquifer and the deep aquifer being isolated from each other

- if any evaporation is very small or none at all

David Janiec stated he did not see any policy issues when reviewing.

Chairperson Donna Thomas stated she saw some items that would be a stretch to be policy issues such as options to be recommended for recycled water must have implementation costs that can be reasonably met. Or could option be implemented in phases or could costs be spread out over a long time frames? The idea of using gray water already being used? I do not think you could collect it and pipeline it somewhere. Rural well systems people are already using gray water. Use an awareness or outreach program for residential use of gray water and explain what savings could be done in an individual households, I don't see this whole elaborate pipeline process.

Pat Quist stated her understanding is the county has to change the law about re-using the gray water, we are tattling on ourselves using gray water, quite a few of us reuse water from coolers and washing machines. We should petition the county to change the law.

Judie Decker (Member of Public) stated the law is changed. Several years ago this was discussed at a Cooperative Groundwater Management group meeting. At the meeting it was stated the law was changed and it is now legal if want to water your trees with Tide. To add to what Lyle said about the TetraTech report the other thing I want to add is this was also brought up at the time by TetraTech's Chief Project Manager. The pursuit of that was important to the Navy because it showed that end result was that Salt Wells Valley was not contaminating the aquifer. You remember that Don, an important part of TetraTech Report and remember Mike Stoner was just beaming because he was so happy they no longer had to worry about contamination from Salt Wells Valley and the airfield too.

West Katzenstein (Member of PAC) said a brief comment from a policy point of view of Tech Memo. 1) They basically analyzed water uses by China Lake, Cerro Coso, the City and 2) they talked about places recycled water could be used and the concern I had is that 3) they said we might have so much recycled water left over that we might be able to treat further and do a deep injection. 4) The policy point I am trying to make : the assumption that is made in this report is the amount of gallons water allocated for the injection stay the same. The case is these water uses might change therefore the allocation of water for deep injection might change as there might be less or more water for deep injection. They may have assumed an allocation for this recycled use

when the GA may assume another allocation.

Donna Thomas (Chairperson of PAC) stated she looked at some map where purple pipelines were left out. I didn't see some schools, Fowler, Gateway, Inyokern Schools. In Table 5 no reference to the cemetery, don't know if they included all the parks i.e. the one on Downs. Were they limiting pipeline areas because of cost rather than making it allocateable over all?

PUBLIC COMMENT

Stan Rajtora stated he will write up his comments and forward them to the WRM. He gave a summary of the following points of what he noticed when he read the Tech memo on recycled water: 1) the cemetery and fairgrounds are not mentioned, 2) used interest rates of 4% , state revolving funds rate is 2% the last 10-20 years, 3) the City has been looking at anything to do with recycling water and you should be able to get 1% interest rate on loan(state revolving fund) plus a 50% grant depending on use of recycled water, 4) some numbers for financing could be much lower depending on what the beneficial use 5) the best beneficial use was: replace existing potable use with tertiary or recycled water use, 6) they did not attempt to tie in or leverage any type of DAC use with what they were doing in any part of study. No DAC comment or DAC use, 7) the study appeared to disregard Searles Valley, 8) learned from the study could not co-mingle potable water with tertiary disinfected water, 9) did not address about converting one of the two water lines already going to a tertiary disinfected line: one potable water line and one tertiary disinfected line or possibility or putting in a 60 mile pipeline between here and California City we ought to consider putting a third line in between the plant and Trona if indeed we can satisfy the best recycling potability-1% loan plus 50% grant, 10) Searles Valley needs to be re looked at, 11) overstated amount of waste water available because they used 1.8% KERNCOG number rate for all Kern County we are not the same as rest of the County, and 12) when look at rate of the cost of water going up because will lower water use then lower amount of sewage coming into the plant for treatment.

Chairperson Donna Thomas told the PAC Members their comments are needed by Friday August 10, 2018. The comments should be sent to the WRM Steve Johnson.

Derek Hoffman Attorney for Meadowbrook Dairy (Member of Public) stated the Tui Chub fish

should be looked into if in fact the water demand is 805 AFY. What amount of water is required to sustain the fish? If this report is accurate 805AFY is one tenth the recharge rate for the whole basin. There is a better way to deal with the fish.

Donna Thomas Chairperson of PAC stated Desert Mountain Resource Conservation and Development Council (DMRC-DC) had a 5 year administration project that transferred the fish to Barstow. That program has since expired.

David Janiec (Member of PAC) stated others outside this committee are recommending the GA look at the Tui Chub fish. I have already asked for more information and to look at federal and state issues. The GA needs to make a decision on whether to pursue the Tui Chub fish or not.

Stan Rajtora (Member of Public) said the GA should look at the Tui Chub issue.

West Katzenstein (Member of PAC) made a comment

10. FUTURE AGENDA ITEMS (AGENDA ITEM NO. 9)

The Chairperson stated it has been mentioned earlier what will be our future agenda items on the next few meetings.

11. COMMITTEE MEMBER ANNOUNCEMENTS (AGENDA ITEM NO. 10)

MITIGATION OF FALLOWED LANDS

The Chairperson of PAC Donna Thomas referred PAC members to a letter dated August 1, 2018 the board members of the East Kern County Resource Conservation District (EKCRCD) approved to send to the IWVGA Board. The purpose of the letter was to request that air quality, health, and soil erosion, along with potential prevention and mitigation should be included in the GSP. Donna discussed in depth the reasons and needs for the letter with the following points made:

- the EKCRCD had a board meeting (on the day before) Wednesday August 1, 2018 and discussed items that should be covered in the GSP that will result from management actions taken

- the EKCRCD want the WRM to have these issues on his radar for development of the GSP

- the issues presented in the letter the EKCRCD sent the WRM involve: 1) air quality, 2) fugitive dust, 3) blowing sand and 4) if acreages are decreased or fallowed they are going to cause the above problems caused by high winds and highly erodible soils.

- listing some of these items in GSP outline where these items might pertain, some are listed in “the land use” section of the GSP outline

- the need to look long term how to prevent soil erosion and how to restore areas that are fallowed

- in the southern end of EKCRCD boundaries in Fremont Valley after “Sierra Farms” ceased operations several strategies were tried; “berms” were tried to catch the sand but the sand reached the top of the berms and was blowing off the berms themselves

- soil stabilization is currently being done along Euralia Road and that is from efforts of the Natural Resources Conservation Services working with East Kern County Air Pollution Control District and with the County of Kern getting funding together to tie the sand down with hydro - seeding and other mulching efforts but it is costing \$1 million.

- if it had been addressed immediately after the problem with some sort of cover crop or restoration efforts it could have prevented a lot of that

- we gave the example of Neal Ranch on North Brown Road that field was fallowed for a number of years and had blowing tumbleweeds cleared off when water district managed it; after Mojave Pistachio has taken it over it encouraged native plants to grow back and I don't see water sprinklers coming on so whatever method they used has worked the native plants are surviving

-if it had been addressed earlier it might have saved the water district a lot of money and clean up
-there is a need to think about these issues in the GSP long term and that is all we are suggesting
in our letter

Donna Thomas Chairperson of PAC stated another issue needing addressing is how do we restore land without burdening the farmers going out of business?

West Katzenstein (Member of PAC) commented how bad Owens Lake dust issue was 20 years ago. He explained how mitigation had worked.

LARGER VENUE WITH FACE TO FACE VIEW OF PAC MEMBERS NEEDED FOR SEPTEMBER 6 PAC MEETING

David Janiec stated the GA Board needs to look at a larger venue for the September 6 PAC meeting to accommodate the additional people who will attend to hear Attorney Markman's presentation. The venue must include seating so the PAC Members can see each other face to face during the meeting. We want to avoid a venue like the one at the May 31st joint meeting of the PAC and TAC where members of each committee had to go up to the podium one by one to speak and the members could not speak to one another face to face and engage in real dialogue.

THANKS TO CONGRESSMAN MCCARTHY

Second issue David Janiec thanks Congressman Kevin McCarthy for his role in getting the NDAA language passed in the House that brings 50% of the royalties from electricity generated at the geothermal plant to China Lake to be used for water and energy security. This accomplishment in funding is recognition of the population of the work force at China Lake that resides in the IWV. The California Defense Summit will be coming up soon and the group of defense communities will be working with state legislators and senior staff of the governor's office.

Patricia Quist announced that she is having shoulder surgery soon and with harvest season coming up the PAC may not see much of the pistachio farmers at the August, September, and October meetings.

12. ADJOURN TO SEPTEMBER 6, 2018 MEETING AT 6:00PM

A motion by Pat Quist and seconded by David Janiec to adjourn at 8:20PM without objection until September 6 at location to be determined.