

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

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

**Thursday January 3, 2019 6:00PM**

**Members Present:**

Ed Imsand, Patricia Quist, Nick Panzer, Renee Westa-Lusk, West Katzenstein,  
Lyle Fisher, Raj Jonnalagadda, Don Zdeba, David Janiec, Josh Nugent,  
John Kersey, James Mower

**Members Absent:**

Tim Carroll, Ryan Klausch, Lorelei Oviatt

**1. CALL TO ORDER:**

The meeting was called to order by Chairperson David Janiec at 6:01 p.m. Chairperson David Janiec led the pledge of allegiance. A quorum was present after roll call was taken by Renee Westa-Lusk. There were 10 out of 11 eligible voting members present. A quorum is 7 out of 12 voting members when all appointments are filled. Judie Decker representative of East Kern Resource Conservation District (EKRCDD) attended (pending appointment by the IWVGA at January 17, 2019 meeting). The EKRCDD position on the PAC was vacated by Donna Thomas.

**2. POSTPONED APPROVAL OF SEPTEMBER 6, 2018, NOVEMBER 1, 2018 AND DECEMBER 6, 2018 MINUTES**

It was decided to postpone the approval of the September, November, and December (2018) minutes until the February 7, 2019 meeting in order to give enough time for Attorney Jim Markman's discussion of Agenda Item No. 4 Pumping Allocation and to give PAC Members enough time to review all 3 sets of minutes.

**ANNOUNCEMENTS**

- 1.The Chairperson David Janiec stated the September, November and December minutes will be emailed to all PAC Members tomorrow (Friday January 4, 2019).
- 2.David Janiece reminded PAC Members to turn their microphones on and speak into them so everyone can hear and that it gets recorded on the audio system.
3. Reminder to update email address on Chairperson's email database list he passes around to PAC Members.

**3. PUBLIC COMMENT**

The Chairperson David Janiec 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 are limited to three minutes per person. There was no public comment made.

#### **4.PUMPING ALLOCATION (UPDATE AND FUTURE PROCESS GUIDANCE)** **(please refer to audio recording of January 3, 2019 PAC meeting at [iwvga.org](http://iwvga.org))**

The Chairperson David Janiece introduced Jim Markman (water rights attorney) recapping his role in assisting the IWVGA to achieve a GSP. Mr. Markman met with all pumper attorneys on December 7, 2018. The following is a summary of outcomes from the discussions of December 7, 2018 meeting. His charter is to negotiate with all the pumper representatives and their attorneys some plan of allocating water production rights that is in the implementation plan (GSP plan) with the possibility of cutting back water production rights that is acceptable to all pumpers in this basin. This basin is in a very bad situation and has a date of January 31, 2020 deadline to have an implementation plan in place. There is a 4:1 ratio for every 4 AF of water produced from the basin there is 1 AF of supply within the basin. It is his goal to get this done with something acceptable to all the pumpers who might feel forced to litigate this. If a tremendously harsh consequence is forced on a present producer a large financial interest in the basin it might force a lawyer to litigate this. It will mean a lot of compromises and processes. He met with all water pumpers representatives in meetings on October 1, 2018. Got some credible ideas from the meetings: 1) bring in supplemental water, 2) impossible to import water (four fatal impediments to import supplemental water), 3) are currently working from the premise to make water balance work but not any sooner than have to so as avoid any negative physical impacts because it could inflict unnecessary financial harm to some of the major producers who would say we might as well litigate this. 4) trying to ramp down without incurring any more financial harm than is absolutely necessary, 5) What are the potential negative physical impacts that could happen if we continue to pump at the present level? Dropping the basin elevations? how fast dropping? What kind of shallow wells are impacted? How many shallow wells impacted? Where are shallow wells impacted? how are you going to mitigate this? Stetson working on model runs showing us different responses to:a) rapidity of ramp down, b) starting at a higher level of pumping than are doing now before ramping down, c) pumping at the same level; 6) Avoid as much economic harm to the greatest extent possible while still meeting the objectives of SGMA while getting an implementation plan (GSP) with a pumping allocation that is acceptable by the State. If do not succeed then the State will step in and do it for you. History of DWR shows they will step in. 7) when will get scientific basis so we can write an allocation plan? 8) How do we establish your starting base water rate, what is your starting point? a) Do the 5 year prescriptive period leading up to 2015 is one possibility. Prescriptive rights analysis-smallest amount you pumped in all 5 years. (All water rights groups(appropriated rights, overlying rights, self help right) would be included. Would devastate some pumpers. Other ways to establish starting base water rate: b)The most recent year pumped(represents present reality), or c) 5 year average method. Still trying to decipher what method to establish starting base water rates. Next meeting of pumpers Friday January 11, 2019.

Carryover Rights if you have a pumping right this year and you did not exercise it you could add it on to the next year. One year carryover was discussed and seemed acceptable.

Alternative suggested for AG Producers If do not want to ramp down, driving off the cliff pumping—you just stop completely after pumping at present levels for period of time. Could pump longer at present levels. Brings sustainability over the same period of time. Some areas can pump longer in other parts of basin because of the geology. Used for pumpers in different business plan.

Pumping Rights Transferable if want to stop pumping can sell or lease your water rights on annual basis to another producer. A “soft landing” a management tool because water rights may sell for higher price than the land is worth. Allows total production of water basin to shrink but protects the keeping of water flowing and pumping of water for safety and health for residences and businesses.

Example: If water district would buy or lease water rights from small AG operations. Attorneys agreed on transferability.

Supplemental Water includes: brackish water project, recycled water, imported water. Attorneys agreed this basin should get started ASAP on this. Most everyone supporting doing this. How to structure this, who will pay for this and how is this structured? Who is the implementing agency? Mostly done with a public agency or a water master (a group of pumpers). Complexity to this. What is your ask? What is your starting point?

#### Major Physical Problems

grace period for ramping down productions

quality problems

dust control problems

what is the date to start limiting production?

will come to a point where we will no longer have time to produce and develop more data

The Chairperson David Janiec asked the following:

1) What level of confidence do you have we will reach our goal and not go into litigation?

Mr. Markman is confident we can reach a solution. This makes more sense than plunging his client or the whole community into massive litigation.

2) What is the average cost to litigate per litigant? \$250,000 per major producer per year. If you are the adjudicator expect \$1,000,000 per year. (Includes legal and engineering costs.)

#### **PAC MEMBERS COMMENTING:** Nick Panzer, Renee Westa-Lusk, Judie Decker

The following comments/ questions were:

-registering the idea of determining minimum thresholds is a scientific matter as well as a policy matter.

-Who (which entities) file for adjudication?

-Isn't the job of the GA Board to take the lead on this issue?

#### **PUBLIC COMMENT**

Ralph Lockenmeyer (Member of the Public) expressed concern on how much he will be charged in the future for water, asked about who has the first rights to water for health and safety uses

and wanted to know if it would be incorporated in the GSP plan.

Mr. Markman responded that no one ever got a priority for water for health and safety reasons based on that code of law. The truth is the priority for water sits with “overlying water producer rights” unless there has been an overdraft, which there has here, and after an overdraft they are on the same priority basis as the water district. What may be true, it is almost always true that if a water producer has water rights that you think they should not have whether it is an adjudication, an implementation plan or growing alfalfa, if a public entity thinks it will endanger the health and safety for it to go on they (public entity) can condemn that land and water right and absorb it themselves. They are always in that position. There is always a public benefit, a public reason, or health and safety reason why it is justified for a public entity to take a

guy's farm or take the farm out of production because you take the farm's water rights then you must pay fair market value for the farm but you can do it. California water law gives the following water rights priorities as follows: everyone pleads M and I (Municipal and Industrial) water rights as highest priority use, agriculture rights are second in priority and everyone else is out of luck except for Federal water rights (i.e. the Navy).

If you take someone's private property right and their water productions rights and put them out of business and take their property for purposes to protect your water supply for health and safety reasons, then you can do it but you must pay fair market value which is governmental acquisition of private rights. Example 1: if the Navy wanted to expand their infrastructure they could take private property and water rights with it, they would condemn the property if they could not negotiate a sale. Condemnation is strictly up to the public entity whether they want to exercise it but it is always there to use, it will not be part of the implementation plan (GSP) if for Example: If the water district was ramping down and they could not find enough water rights to serve the public for safety and health purposes they could go and get those water rights from those people as long as they were willing to pay for them.

Chairperson David Janiec asked Mr. Markman to explain “California Constitution ” vs. “ How Water Rights are determined” vs. the law that dictates the re-compensation for property, for the benefit of Mr. Lockenmeyer.

Mr. Markman there is a constitutional protection for overlying and riparian water rights he explained that in his legal experience no one has gotten a priority over an overlying right or riparian right by saying the public water supplier needs that water right for health and safety purposes we are going to give that public agency a priority and the public supplier does not have to pay for it even if it put the public agency out of business, no this will not go. ---Mr. Markman with his experience says he does not agree that could happen maybe another lawyer would give a different opinion.

Ralph Lockenmeyer asked further questions on affordability of imported water. How can you import water at an affordable price? What are the prices of alternatives? Is there going to be a price associated with each alternative and what it does to the Ridgecrest City water buyer? What will this do to his water bill?

Mr. Markman said let's assume that we are going to make it happen on supplemental water, we can always amend the plan, can arrest ramp down (would need to convince DWR it is feasible), you can do a lot things if you bring other water into play.

Don Zdeba the total costs of breakdown per customer are not able to be projected because there

may be multiple parties paying for the supplemental water not just the water district. It would all be speculation at this point to break it down per individual customer.

David Janiec Chairperson PAC stated there are other funding alternatives including grants and monies identified for projects discussed in the TAC to fund some of the projects outside of what the water users will pay.

### **REPORT FROM WRM**

Steve Johnson (WRM) (Stetson Engineers) (addressing Mr. Lockenmeyer's questions) we have absolutely looked at the costs for each alternative and most reasonable approaches for a supplemental water supply for acquiring both the water rights and the infrastructure we put that all together advertised it a lot for a project and to come up with annual costs. Actually ran different scenarios on allocations based on water rights and ramp downs that look at if we ramp people's basic water rights down and they pump more than that then we will assess them a number based upon an imported water value because that is the water will have to put back into

the basin.. We haven't daylighted those yet because of the allocation discussions we are having and they raise eyebrows on the magnitude. The magnitude is a 4:1 ratio the production we have vs. the replenishment. Look at production of 28,000 to 35,000 AFY vs. replenishment of 7,500 AFY. When start looking at a ramp down across the board you are taking out 2,000 AFY out for the Navy and take 1,000 AFY for deminimis. We are looking at looking at a ramp down of 75-80% which means that amount will have to be imported water. These are huge numbers. We haven't put those numbers out there yet because we have to get through the process and a lot more details to go with that. We did it by pump or proof. We actually did the numbers for the water district, we have those numbers not taking those any further until we get further on with allocations and see where we want to go with this and when we do we will put those numbers with it and see what those actual costs are going to be. See what it will do for annual increases to the water district costs, not hard to look at costs now for the water district, they have pumping costs they pump all the water they need and they have other costs. Then we are going to add 75% of their water supply of imported water. They are still pumping 25% of their water supply we have those costs. Then the imported water will cost \$2,000 or more per AF vs. \$150 per AF of their own water supply. These are big changes with big impacts to the water bills. We have all that and we can run all that and we need to get further along with the allocation process first. We are getting a little ahead of the agenda which is actually good because it is all related. One of the questions we are going to be asking the PAC is:

### **ASSIGNMENT TO THE PAC FROM THE WRM:**

#### **HOW DOES THE PAC FROM A POLICY STANDPOINT WANT TO LOOK AT WHO IS GOING TO PAY FOR THESE COSTS?**

There are different ways to look at these costs: 1) should it be equal for everyone and everyone ramp down the same and if they overproduce then they pay for overproduction rights? OR 2) should one agency take the water and we assess everyone a certain amount, so one agency like the water district can take it direct, there are a lot of different ways to do this. We are looking to the PAC to ultimately give policy advice to the board on how we pay for this. Frankly the numbers we've seen, the discussion we've had with Nick on Health and Safety this community will not survive on Health and Safety numbers. There is not enough replenishment water to supply the water district customers and the Inyo County folks at a minimum water supply, the

Navy, and to keep Searles in business. There is not enough water to do that under Health and Safety. These numbers will be in the 2020 GSP plan absolutely. This handout I gave you is a short presentation on a technical memorandum we have written and presented to the TAC at least 3 different times. We have revised some of the information. This will provide a little background information on where some of these numbers come from and what we looking at for where alternative water supplies will come from.

Tim Parker (consultant for IWW Water District) Been talking about getting the GSP done on time and supporting the WRM on that. The schedule is the biggest challenge we have and securing a water supply with certainty during that time? He threw out the idea of phasing in the final allocation. He suggested looking at a 5 year allocation phase to give more time to securing an imported water supply with more certainty. It is going to take time to secure a water supply. What we haven't talked about is the State mess we have with the Bay/Delta flow in stream flows requirements, CAL-WATER FIX, all that stuff is completely up in the air, with a new Governor coming in that is all going to kind of weigh in the certainty of the water supply into the future. He was not expecting any kind of an answer but he thinks to talk about allocations not sure but could cause some severe economic disasters if try to come to allocations results with this initial

plan. It will not kill us to go another 5 years and not have a final solution in terms of allocation. Trying to throw out some flexibility. I know a lot of people have private wells and want a final solution and want to feel secure that they will have water in their wells next year and the following years. This is a real tough challenge.

**The Chairperson David Janiec asked Mr. Markman where do we go from here, what is the process and how does this group play in and align with your ongoing meetings?**

Mr. Markman agrees with Steve Johnson (WRM) we must come to this group with any of these concepts when we put this management strategy together. We need a base starting point, a ramp down schedule then tell the State we are taking a pause here because we have these supplemental water supply projects which may change the picture and we have these 5 year updates. Mr. Markman agrees with the phasing but we must show them an end results first implementation plan (GSP) for them to be able to approve it. We have not put out a draft of an allocation plan because it will not be a final product yet and could be destructive of the process we are trying to do.

**Mr. Markman proceeded to continue into the second part of his presentation which discussed:**

#### **HOW DOES IT WORK IN SOME OTHER PLACES?**

-what are examples of adjudications?

-Allocations of pumping rights are like adjudication, every SGMA plan, every implementation plan (GSP) is like a judgment in an adjudication because it can close your ability to produce water or it enables your ability to produce water.

**PLEASE REFER TO “PART TWO” OF THE AUDIO AT [iwvga.org](http://iwvga.org) for the Jan. 3, 2019 PAC meeting for a complete discussion or part 2 of Mr. Markman's presentation which covered adjudicated water basin cases that were litigated in the past which include: 1)**

**Main St. Gabriel case, 2) the Mojave case, 3) the Chino Basin case, and 4) the Santa Maria case.**

Questions from PAC Members

West Katzenstein if someone has raw land and they haven't developed the land and are not producing water do they lose their water right?

Mr. Markman if there is an overdraft or they are under SGMA then the answer is yes. They have lost the opportunity to develop water on their land. Example: in the Antelope Valley there is a class of people that was created because that was the Air Force in that case and they will not get in a case unless you rule out anybody else who won't get a water right when the case is over. So they created a class of people of thousands of property owners who never had a well on their property and were not on a service system and they ended up with zero water rights because they had not pumped over "the prescriptive period" so there is no "self help water rights" they are up on appeal essentially not happy with that result.

Chairperson David Janiec asked is that an adjudicated prescriptive period?

Mr. Markman yes, it was actually tried in 2010 to 2015. That would be one year because right after that the cut off date it is in the SGMA legislation. That is just one approach we will talk about a week from Friday (January 11, 2019). We are wide open to any creative way.

West Katzenstein as a Domestic Well Owner it makes me nervous this is being ultimately

discussed by lawyers of which we are not a part of (the domestic well owners have no legal representation, where as all the other water users do have legal representation). So far I feel comfortable that our interests are being considered. From everything I've heard from you. This observation that we loath that we are being left out but I am not particularly worried at this time.

Mr. Markman stated that part of what he sees what he is supposed to do is watch out for peoples' interests and even if he were not here Steve Johnson (WRM) or you or the GA would be here. Unless a big group of you were to get together and put someone into these conversations, no one in your position will get this active in the process at this time. He feels that he is supposed to take in to consideration your (domestic well) interests.

James Mower stated you mentioned those who may have lost their opportunity for prescriptive water rights, what does that mean for vacant property land owners in the area, does that devalue their land?

Mr. Markman stated he would say yes unless they can get on a public water system or unless someone can come away with a pumping allocation. I do think it will. It all goes back to San Fernando case of 1975. I am not going to say any court will say you cannot have any water on your property. If you bought remote and you cannot get public water system service and you are there and you need to drill a well. Yes, I think this process can freeze your property up. It happened in the Antelope Valley we'll see what they say on appeal. It happened to 1,000 people in the Antelope Valley.

James Mower asked Mr. Markman is that something that we have to be worried about immediately? He stated he is a realtor. He has clients come to him from Inyokern. The value of the their property significantly changed. They have no water rights on the property there is no municipality or somewhere to get water from and they cannot drill a well. He said if I am representing a buyer who is looking at land like then I would have to look out for their interests

and warn them about not being able to get water?

Mr. Markman SGMA says if you drill from 2015 on it does not count as water rights. We will have a problem with our whole process if we started . Where does it stop? You are pumping a 4:1 negative ratio so the thought of anyone dropping new wells are adding to the negative ratio it wouldn't fly. Yes, you are right, I think there is a problem. Yes, just ask the question, you've seen those listings of water source, where is your water source? Yes you must ask where is your water source?

Chairperson David Janiec asked Mr. Markman you are saying that is a function of once SGMA was established and had the 2015 date in it regardless of what the GA is doing in this valley does not change?

Mr. Markman there are other cases like the Allegretti case where Imperial County stopped anyone from drilling a well in a groundwater basin and the court said it wasn't inverse condemnation when the big AG interest wanted to put more wells in for crops he (Allegretti Corp.) never did sue them based on their "overlying rights"but sued instead for "inverse condemnation"and lost. A very interesting outcome.

West Katzenstein asked does this mean that any major or minor well coming into this valley could be challenged if it has come in since 2015?

Mr. Markman said he wasn't going to say "minor wells"because we wouldn't be looking at deminimis wells, domestic wells of 2AFY or less and run them down. Good question maybe someone has put in a new domestic well or renovated a well and they have been pumping in the past I think they would be okay. If someone has been sitting on some land outside a house in Ridgecrest and never supplied the land with water then that person has a problem.

Lyle Fisher said he must fit that category of land owner because he has some vacant land on both sides of his house. He said he his land is contiguous. Mr. Markman remarked as long as his land was contiguous he was okay (in retaining his water rights since he had a well on the property where the house was located years ago).

## **PUBLIC COMMENT**

Derek Hoffman Attorney for Meadowbrook Dairy (MEMBER OF THE PUBLIC) He thanked Attorney Markman for his presentation. He told Mr. Markman that he thought it would be helpful for the PAC to hear some of the examples of how federal entities have participated and maybe talk about the Antelope Valley where the Air Force was involved and part of that judgment includes allowing some of that unneeded federal reserve water rights water to be used by some public agencies and others. He asked Mr. Markman to share some examples.

Mr. Markman said he thought the Antelope Valley was a great example not only did they reach a conclusion that helped the community, they had a history of production that was greater than what they were doing right now and they took a water right and agreed that any part of the water right that wasn't used by the Air Force would cover production by municipalities to the extent they needed it but always reserved the right to go back up during time of war when it increased their demand. This is hardwired into the judgment and a very community minded position for the Air Force to have taken in this case. Further they sent out a couple of lawyers from U.S.

Attorney's Office in Colorado who were fantastically instrumental in getting the whole thing done. They were tremendously cooperative and hopefully the Navy will be here too.

Mr. Markman's second example of a federal entity participating in a water litigation case was in Mojave. He said they kind of shadow boxed with the idea of bringing in the military in on the case too. People just ran around that case. The first Mojave case started in 1966 was actually lost politically there was a State Senator who put it to bed. The legal mechanism was a motion saying it did not comply with the McCarron Act and so the move to try to get the military ended with the Mojave Agency dismissing the case in round one but the litigation went all the way through the late 1970s. Mr. Markman's experience with military installation involvement has been nothing but a positive experience.

Chairperson David Janiec asked Mr. Markman: can we ask a slightly changed question as far as the process you know the basic mission of this group is the policy advisory committee is to help make recommendations and policy non-binding none the less to the groundwater authority, we are just advisors in that sense. You have a process in meeting regularly trying to get closer to an allocation framework. What is your thoughts on the process, do we wait for you to come back with a next step or is there a recommended path we can take in parallel right now as we work on our agendas, we have things to do, but this is the big issue to tackle. What can we expect for example out of your January 11 th meeting that you might have something to bring to us at our next meeting February 7 th? Is there something the PAC can do in parallel pro-actively at this point that would help you or help the GA? We have a report out of our Ad-Hoc Committee we will be given at our next meeting and to the GA. There is other data that the Ad-Hoc Committee can provide us that give us the value to them with regard to the shallow wells and impact to them that is part of the consideration in alternatives you are considering through the model as being overseen by the GA and the TAC and we talked about that in the TAC today. Perhaps the action

we can do in the meantime waiting for you and it sounds like if you are roughly monthly you may be right in sink with bringing next item to this group. In the meantime Mr. Markman requests is that the individual Members of the PAC provide any specific comments on this presentation to the Chairperson David Janiec then he will provide those comments individually (we cannot do a group email because of the Brown Act) to Steve Johnson WRM who will forward them to Mr. Markman.

We will work to put on each upcoming agenda an item that relates to allocation clarification or issues each time and the PAC Members comment on that each time. Then the public has availability of any overall inputs that come back to the PAC. (Mr. Markman agreed to this action).

Mr. Markman said we are going to come to a point where we are going to make decisions on how we structure the plan whether we have numbers or not. He said he was not waiting around until April until everything is resolved. We have to get these lawyers working on drafting a document that has water rights concepts, allocation concepts we will bring that to you whatever form it takes, he thinks the PAC will see that. I hope so, if we get some stuff resolved some of these approaches, different categories of areas we have to agree on, if we start getting some consensus, I think we can take those and run off the concepts at the PAC for the final document.

He requested that the PAC in some way help Steve Johnson (WRM) to get some of this data on small wells.

I do not know what to suggest then, everyone here has heard all these concepts we were discussing I would love to hear any reaction positive or negative from the PAC or any Member of the PAC of what was discussed, feedback would be great!

West Katzenstein questioned forwarding of comments by individual PAC MEMBER on the allocation discussion to Mr. Markman. He stated if the comments are sent individually there is no discussion by the PAC as a committee, it seemed to him the individual comments would be more valuable if they had the benefit of being discussed by the PAC as a committee before they were sent.

Chairperson David Janiec responded offering to put a standing agenda item on each agenda which would include a PAC group discussion of the individual comments forwarded to the WRM and Mr. Markman from the last meeting and any new comments for future discussions coming from Mr. Markman.

Raj Jonnalagadda asked do each of the PAC Members provide feedback based on the issue of recommendations about allocations?

Chairperson David Janiec responded anything you heard today from Mr. Markman or from Public Comment about it you can send as if writing directly to Mr. Markman and the WRM.

He said we are establishing a precedence where Members of this Committee send directly to the Chairperson David Janiec so nothing gets lost. Send the comments individually to the Chairperson David Janiec who will act as a forwarding gatekeeper. Please send comments within 2 weeks (January 17, 2019) and if have no comment to add tell the Chairperson.

Judie Decker asked that the comments be collated and given to each PAC Member prior to the meeting so we can make meaningful comments back.

Chairperson David Janiec responded thanking Judie for the clarification and stated that was his intention that whenever we have something on the agenda that is going to be discussed by this

group, that it should be available to the group prior and available to the public to go out with the agenda. They will be made available prior to the PAC and Public as much in advance as possible before the day of the meeting. We are going through a change in how we want to do processes here of how we want to handle this particular issue. What Judie and West Katzenstein just outlined is the way we want to take on any issue that comes with individual comments: we can forward the comments on to the WRM and the Public needs to know and the PAC needs to know before our discussion next time, so we can put our thoughts together and the Public can review them and make comment on them. It is a transparency issue we think will help.

Steve Johnson (WRM) wanted to make sure the PAC Members and the Public if they have any questions about the process they want to ask Jim now is the time. The GA Board is trying to watch their budgets and costs on this kind expense. It is not inexpensive to bring Jim Markman to these PAC meetings. It may be that the WRM and Jim Markman will be coming to the next few meetings as things go on. If you have questions now is the time to ask. In order for Jim Markman to be at this meeting we had to go to the GA Board to get permission to expend those funds.

Mr. Markman stated if anyone goes to the trouble of calling him he will answer.

Steve Johnson (WRM)

West Katzenstein's comments on deminimis hosts.

I am sure most of you were at the TAC meeting today.

In this community the large pumpers are also concerned. The large pumpers the IWV Water District, Searles Valley Mineral, and AG are also concerned. Everytime we start talking about allocations, ramp downs, continuing to pump with an overdraft over time, it doesn't come from Stetson and the GA it comes from the large pumpers. What will it do to the shallow? What are the impacts going to be? How will we mitigate that? You cannot even do a project like that without addressing it because it won't work. The water JAG has brought it up too. We are not the only ones bringing it up. Large AG is even bringing it up. I want to make sure the large pumpers get credit for being concerned about it too.

**ASSIGNMENT FOR THE PAC FROM THE WRM:**

The process we are trying to go through. Mr. Markman pointed out that we are looking for allocations that are the same, everyone is the same looking for water that you are trying to allocate. It was mentioned in the TAC about Modeling Scenarios with some kind of ramp down we will come up with some Modeling Runs. The way we are looking at it right now at least to start we are trying to look at it as sensitive or as least sensitive we could be to make sure we do not make anyone mad or get anyone isolated when we do this . Our approach has been if we are going to ramp down pumping by whatever means we do it by transferability or create a fund for replacement water which is what you pay into if you over produce beyond your allocation. What we have been looking on so far pretty much has been proportionate for everyone that is how we are looking at it. I will use Raj as an example. **As a PAC you've been asking what help does the GA need from the PAC?** As the PAC I can tell you what would help the GA. He used Raj as an example. If you are looking at what we have been looking at before on imported water the cost of imported water will be from between \$2,000-\$3,000 AF. Use \$2,500 to \$3,000 AF. As a PAC if could amongst yourselves or individually look at what the impacts will be if there is a ramp down and with a ramp down assessments will have to be paid on certain amounts of water. To get from where we are now to where we need to be if it is 20 years or with a 5 year extension or 30 years it doesn't matter what it is. If we are going to ramp down to that 7,500 AFY you are

looking at a 70-80% ramp down in your base allocation of rights which means you will be paying for imported water to supply the rest of what you need. **Information you can provide on the ability of your operations to withstand these kinds of costs and at what point in your operations and ramp downs will it drive (not asking to put your cards on the table, trying to develop a plan here to run models that make some sense when actually run them to the real world) at what point in time with cost of water with these kinds of numbers on your percentage of water supply does it make it unacceptable because you cannot do it.** Renee already did these calculations for the water district. **Looking at these numbers for each one of the pumper groups would be helpful for us to get a sense of how we can make this plan work for the GSP, the basin, DWR, and each pumper group.** Imported water is a requirement to get to where we want to be. It is not set in stone but the numbers for Health and Safety, the amount the Navy needs, the amount for deminimis wells even for a minimum supply and for this community to stay the type of community it is and to have some development and

growth we must have some more water. **Helping us how we bring this water in and how we apply to each one of the pumper groups would helpful for the GA**

#### **PUBLIC COMMENT**

Ralph Lockenmeyer Member of Public said wouldn't it be nice if the water district could take a look at this picture there and see if they can find enough space for the number of digits of water they are going to need in the future?

#### **5.GSP CHAPTER REVIEW (CHAPTER 1) (please refer to audio recording of January 3, 2019 PAC meeting at iwvga.org)**

The Chairperson David Janiec directed all PAC Members to the draft GSP Chapter 1 (Section 1). It was sent out to all PAC Members on December 14 and posted subsequent to that on the iwvga.org website under "reference documents" where it is currently posted. Copies available at this meeting. Deadline for comments is January 10, 2019 to the Chairperson David Janiec. On January 11 the comments will be forwarded to Steve Johnson (WRM). Review this for policy issues and comments. If have no comments or you do not see any policy issues let the Chairperson know that. All the comments from the TAC, the PAC and the Public will be consolidated and put into the next draft which will be available at the next TAC and PAC meetings for more Public comment. There are 11 months left before the deadline of when the GSP is due. A second draft review will happen of the prior months chapter and a first draft review of the next chapter of the draft GSP will happen at both the TAC and PAC monthly meetings from here on out.

Don Zdeba requested a redline copy and a clean copy of the 2 nd draft with the comments incorporated within. Steve Johnson said that would be provided.

Chairperson David Janiec requested that the Draft GSP chapters be posted on the iwvgsp.com website, Steve Johnson said he would make sure it was completed.

#### **PUBLIC COMMENT**

NONE

#### **6. POLICY/OUTREACH ON IMPORTED WATER ( please refer to audio recording of January 3, 2019 PAC meeting at iwvga.org)**

##### **PLEASE SEE POWER POINT HAND OUT: IMPORTED WATER OPPORTUNITIES**

Steve Johnson WRM said he was sure the entire technical memorandum on Alternative Water Supplies and Imported Water (not just the power point) is on the iwvga.org website for review. This power point hand out is pretty much self explanatory. He wanted to emphasize Imported Water issues and what the GA needed from the PAC on the imported water issue (SEE these minutes under Agenda item no. 4 discussion by Mr. Markman on pumping allocation note assignment given to the PAC by Steve Johnson WRM.)

Steve Johnson reported on plans to bringing an imported water supply marketer consultant to the GA Board that would be retained by the board to go out and find a water supply. Finding a

water supply may be the biggest obstacle we have other than funding it. Building the facilities and getting the facilities here we can do that and it is under our control. We must get a water supply that is reasonably reliable. We maybe do not get water every year but a water supply that is reasonably reliable to meet our requirement. We did get authorization from the board to reach out with an RFP/RFQ so qualifications and cost estimates at least approaches to cost from water marketing consultants. We have at least 4 or 5 consultants interested we also put it on our website. We are expecting those 4 or 5 proposals for qualifications to be in by the end of next week. Stetson Engineering's job is to turn those around and organize the proposals into a recommendation on what Stetson thinks is good for the Board. Under the direction of the Board to be as transparent as possible we have contacted each of the agencies that we sent the RFQ's to try and set aside (assuming we get proposals worth hearing from) hoping to give 15 minutes each to present and 10 minutes for questions at the January 17, 2019 GA Board meeting. The goal would be to have them each make a presentation, most of you have seen one group who came before Todd Tatum and his group will be back to present. The goal would be to get the GA Board to give direction to Stetson or staff to sit down with one or more of the imported water supply marketer consultants about putting together some kind of an agreement to represent the Board and you folks to go out and find some imported water. Steve Johnson stated Stetson originally wanted to go through the committees to do this but was afraid to push back into another month when Stetson has been advised the GA should have been out looking for imported water last year. No action is needed from the PAC at this time, this is a report to make you aware of what the GA is doing, welcome to attend January GA Board meeting, depending on what happens it could become a policy issue, at some point they are going to bring something to us like some kind of project and if there are policy issues related to that then we bring it to the PAC.

#### **PUBLIC COMMENT**

NONE

#### **7. FUTURE AGENDA ITEMS**

A. Ad-Hoc Committee Report is complete and will be forwarded to the whole PAC. This report contains recommendations on how to get these deminimis well owners to register their wells and share their data with the GA.

B. Minutes of September 6, 2018, November 1, 2018, December 6, 2018 will be forwarded to all PAC Members for approval at the February 6, 2019 meeting.

C. Minutes of January 3, 2019 will be forwarded to PAC Members for approval for Feb. 6, 2019

D. GSP Chapter 1 second review and GSP Chapter 2 first review

E. FORM 700 (Financial involvement) REQUIRED FOR 2019 FROM EACH PAC MEMBER  
Deadline for filing FORM 700 is March 1, 2019

F. Allocation agenda item (each month)

This is a review allocation comments and to add any new comments on allocation.

**NEXT MEETINGS: FEBRUARY 7, 2019, MARCH 7, 2019, APRIL 4, 2019**

## **8. MEMBER COMMENTS**

A. Nick Panzer requesting legal opinion on PAC Member's rights to speak out publicly or write about GSP issues in their own name without identifying as a PAC Member (see hand out from Nick Panzer dated 1-3-19).

B. Judie Decker stressed the PAC and GA voted to accept the Communication & Engagement Plan created by the PAC. It is the GA Board's job to do public outreach not the PAC's Job.

The Chairperson David Janiec responded that the GA Board is aware that their public outreach is lacking and they are asking for our help.

Judie further commented in the area of imported water each of the major pumpers should pay for the imported water no matter who ultimately uses it. That is not just paying for the water it is paying for the infrastructure because it benefits all the major pumpers in the valley. She informed the PAC she has been attending water meetings since 1978.

Chairperson David Janiec responded this is something for the GA to consider overall and for Mr. Markman to include in his negotiations.

Steve Johnson stated that would be a good PAC comment if the PAC agrees with that.

C. Chairperson David Janiec thanked Mr. Markman for coming out to the PAC meeting and the GA for granting the PAC's request to have Mr. Markman to present to the PAC. He brings incredible value, experience, knowledge and method of communication which gives the public more credibility than the PAC in what is being done. The credibility and calmness Mr. Markman provides brings a confidence to the public that the PAC cannot convey. He also thanked Steve Johnson for coming to the PAC meeting and clarifying concepts to the public.

D. Lyle Fisher thanked Mr. Markman for coming to the PAC meeting.

## **9. ADJOURN TO FEBRUARY 7, 2019 6PM MEETING**

The meeting was motioned to adjourn at 8:07PM by West Katzenstein and seconded by David Janiec.

Submitted by

Renee Westa-Lusk appointed minute taker Member of the PAC