

IWVWD General Manager's Column
August 16, 2018

“IWVGA Fee Impacts IWVWD Customers”

By Don Zdeba

At its July 19th meeting, the Board of the Indian Wells Valley Groundwater Authority (IWVGA) voted to approve Ordinance 02-18 establishing a groundwater extraction fee of \$30 per acre-foot along with the rules, regulations and procedures for imposing the fee. This followed the required initial reading of the Ordinance at the June 21st meeting. As approved, the fee applies only to a classification of groundwater extractors called “non-deminimus.” Essentially, with the exclusion of the Navy and Bureau of Land Management, this includes the major groundwater pumpers in the basin along with well co-ops and mutual water companies with more than four connections. It is an important distinction that private wells owners using two acre-feet or less for domestic purposes are not impacted at this time. An acre-foot is equivalent to 325,851 gallons. The monies collected as a result of this fee are intended to bridge a \$930,754 gap between Prop. 1 grants funds that have been awarded to the IWVGA and the projected cost to develop the Groundwater Sustainability Plan (GSP) required by the Sustainable Groundwater Management Act (SGMA) legislation signed into law by Governor Brown in September 2014. As a high priority basin subject to critical conditions of overdraft (as determined by the State Department of Water Resources), the Indian Wells Valley groundwater basin must be under management of an approved GSP by January 31, 2020.

As a major extractor of groundwater in the basin, Indian Wells Valley Water District (IWVWD) is subject to the fee. For this reason, it is important that our customers understand how this fee will affect them individually.

IWVWD was required to register our production wells with Stetson Engineering, the Water Resources Manager by August 20, 2018. We have done so. Beginning September 1st, totalizer readings from meters at each of our wells will be recorded. Then, again, at the end of the month another reading will be recorded to determine how much each well pumped. The total, in acre-feet, will be multiplied by \$30 to determine the fee owed the IWVGA that month. The fee must be submitted by the 10th of October. The same schedule will be followed monthly going forward until the GSP is developed. It is estimated the fee will be in place for a period of between 15 and 21 months.

As customers of IWVWD, beginning with your October bill, you will see a line item within the box on the left side entitled “Current Charges Breakdown” just below the “Arsenic Compliance” line labeled “IWVGA Pump Fee.” The charge will be based on \$0.07 per hundred cubic feet (HCF) consumed. One HCF is equal to 748 gallons. Based on the District's current rate structure, a customer at the top of the first tier of use, which is 7 HCF, would pay an IWVGA Pump Fee of \$0.49. Similarly, a customer at the top of the second tier would pay \$1.68 (24 HCF X \$0.07). Once again, this fee is only in place until the GSP is complete. Of course once the GSP is approved by the State and in place there will be specific projects identified to achieve the sustainability required by SGMA.

Those projects will have to be funded by a separate groundwater extraction fee yet to be determined. There could be some offset provided by grant funds or other sources, but it is premature to speculate how much, if any, that may amount to.

I want to assure you the Board of Directors and staff of IWVWD are committed to keeping costs down without compromising the quality and reliability of the water system that serves our customers. Just one example is the completion earlier this year of our solar project with ENGIE Services, formerly OpTerra Energy, designed to reduce our energy costs, one of the major components of our fixed costs. We continue to look for this kind of opportunity to offset rising costs.

As this fee is implemented, please keep in mind our staff is here to serve you and answer your questions. Additional resources that are available to you include the District's Facebook page (IWV Water District) and our website, www.iwvwd.com. Information about the IWVGA is available on the group's website, www.iwvga.org.

The Board of Directors and staff of IWVWD sincerely appreciate the efforts of our customers to meet and exceed the 20% reduction in consumption goal (compared to 2013) the Board adopted in June 2016. Keep up the good work!