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August 12, 2021

Ridgecrest Daily Independent
Attn: Editor

RE: Letter to the Editor: MY PLAN TO REDUCE YOUR WATER RATES

Dear Editor:

My name is Scott Hayman and it is my pleasure to serve as both a member the Ridgecrest City Council and as the Chair of the Indian Wells Valley Groundwater Authority (IWVGA). The IWVGA is responsible for maintaining groundwater supplies in the Indian Wells Valley Groundwater Basin which is the only source of water for the City of Ridgecrest. The State Department of Water Resources has determined that the Basin is a “high priority” basin in a state of “critical overdraft,” meaning that we are drawing substantially more water out of the basin than can be supported by rainfall leading to a chronic lowering of groundwater levels. On May 25th, 2021, Orange County Superior Court Judge Kirk Nakamura found that “there is no dispute the Basin has been in a state of critical overdraft for decades due to over-pumping.” If this situation continues, the Basin’s infrastructure will be unable to meet the Basin’s water demands in roughly 43 years.

We are at a crossroads as a community. For the community to thrive, the IWVGA must purchase imported water supplies and develop the needed infrastructure to bring it into the Basin while mitigating ongoing damages to the Basin. For that reason, the Authority has adopted a Groundwater Sustainability Plan, or “GSP,” that requires pumpers to pay for the water that they remove from the Basin so that replacement water can be bought. It is an ambitious plan, but we have no other reasonable alternatives. As Judge Nakamura explained: “[A]ny further delay in implementing the GSP will cause further harm to the Basin, increase the cost of imported water, and continue to damage shallow wells throughout the Basin.”

Based on recent sales, it has been estimated that the cost per acre foot of imported water is roughly \$10,500 per acre foot of delivered water entitlement. (An acre foot is a unit of measurement for water that represents the amount of water needed to cover an acre of land with one foot of water). The proposed purchase of water is a one-time entitlement cost; once purchased, the water entitlement does not need to be purchased again. We estimate that the Indian Wells Valley Water District will need to purchase approximately 2,500 acre feet of water entitlement to meet its needs moving forward. This comes at a cost of approximately \$25 million. My concern is that the Water District has decided to pass that cost immediately onto its current rate payers instead of financing this cost.

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Some of you have noticed that your water rates have increased significantly in the past few months. The Water District currently charges the replenishment fee at \$1.70 per hundred cubic feet on each customer's water bill for an average increase of \$25.00 per month (\$300.00 per year) for the typical customer. That is a sudden and significant increase. It doesn't have to be this way.

This week, the IWVGA authorized me to send a letter to the Water District, encouraging them to finance the costs of this fee to reduce the impact to its current ratepayers and to spread the cost of the replenishment program between current and future users of the water. Our staff has informed us that financing these fees over a 30-year term could result in a discount of approximately 75 percent in the current impact to the ratepayers. Based on work provided by financial analysts, the IWVGA estimates that payments on a 30-year bond would reduce this fee from \$1.70 per HCF to \$0.42 per HCF. This could result in an average monthly charge of \$6.20 instead of the current average Water District charge of \$25.00. The savings equates to approximately \$18.80 per month (or \$226.00 per year) for the average District customer.

It is possible to obtain the water we need to secure our long-term future AND reduce our current water rates. We have asked that the Water District discuss this matter at its next public meeting which will take place on September 13 at 6:00 pm at the District headquarters at 500 W. Ridgecrest Blvd. I would encourage any member of the public that is concerned about water rates and the future of this valley to attend the Water District board meeting and offer your opinions on this matter.



Scott Hayman
Ridgecrest, CA