AGENDA

Borrego Valley Groundwater Basin: Borrego Springs Subasin Sustainable Groundwater Management Act (SGMA) Advisory Committee (AC) September 28, 2017 @ 10:00 AM – 3:00 PM Borrego Water District, Board Room 806 Palm Canyon Drive, Borrego Springs, CA 92004

Remote Access: https://global.gotomeeting.com/join/385795037 Call-In: 1-866-899-4679 Code: 385-795-037

- I. **OPENING PROCEDURES** [10:00 am 10:30 am]
 - A. Call to Order
 - **B.** Pledge of Allegiance
 - C. Roll Call of Attendees
 - **D.** Approval of July 27, 2017 AC Meeting Minutes
 - E. Review of Meeting Agenda
 - F. Updates from the Core Team on Organizational Procedures and Tools
- II. ITEMS FOR DISCUSSION AND POSSIBLE RECOMMENDATION [10:30 am 12:30 pm with Lunch 11:30 am 12:00 pm]
 - A. AC POLICY ISSUE #1: Metering Requirements for Non-de Minimis Wells Core Team
 - **B.** AC POLICY ISSUE #2: Baseline Pumping Allocations Core Team
 - III. INFORMATIONAL ITEMS [12:30 pm 1:45 pm]
 - A. State of California SGMA/GSP Informational Document Core Team & Consultant
 - B. Sustainability Indicators, Measurable Objectives, and Minimum Thresholds Core Team & Consultant
 - C. Proposition One Grant Application Update Core Team
 - D. Revisions to SGMA Frequently Asked Questions (FAQ) Document M Wylie
- IV. CLOSING PROCEDURES [1:45 pm 3:00 pm]
 - **A.** Correspondence
 - a. AC Bill Berkley, Rebecca Falk, Suzanne Lawrence, Jim Wilson, Agriculture Representatives
 - b. Public Dianne Johnson, David Garmon
 - **B.** Updates and Comments from Advisory Committee Members
 - C. General Public Comments (comments may be limited to 3 minutes)
 - **D.** Review Action Items from Previous AC Meetings, Next AC Meeting Date(s), and Next Steps

The next regular meeting of the Advisory Committee is scheduled for **October 26**, **2017** at the Borrego Water District (*location is subject to change).

Please be advised that times associated with agenda are approximations only. Public comment periods will be accommodated at the end of each item listed for discussion and possible action. The duration of each comment period will be at the discretion of the meeting Facilitator.

Any public record provided to the A/C less than 72 hours prior to the meeting, regarding any item on the open session portion of this agenda, is available for public inspection during normal business hours at the Office of the Borrego Water District, located at 806 Palm Canyon Drive, Borrego Springs CA 92004.

The Borrego Springs Water District complies with the Americans with Disabilities Act. Persons with special needs should call Geoff Poole at 760-767-5806 at least 48 hours in advance of the start of this meeting, in order to enable the District to make reasonable arrangements to ensure accessibility.

MINUTES Borrego SGMA Advisory Committee Meeting #5

Thursday, July 27, 2017 10:00 AM – 3:00 PM

<u>Location:</u> Borrego Water District, Board Room 806 Palm Canyon Drive, Borrego Springs, CA 92004

Attendance: Committee members: Present: Jim Seley, Jim Wilson, Suzanne Lawrence,

Ryan Hall, Rebecca Falk, Dave Duncan, Bill

Berkley

Core Team members: Beth Hart, BWD, Lyle Brecht, BWD, Geoff Poole, BWD

Leanne Crow, County of San Diego

Staff: Meagan Wylie, Center Wendy Quinn, BWD

for Collaborative Policy Trey Driscoll, Dudek, GSP

Consultant

Public: Michael Sadler, *Borrego Sun* Mike Seley, Seley Ranch

Diane Johnson, Stewardship Ralph Singer, ABF, BWC Council Dennis Jensen, Oasis Ranch

Linda Haddock, Chamber of Management

Commerce, BWC Betsy Knaak, ABDNHA

Item #1: Welcome, Introductions and Opening Remarks

<u>Review Agenda and Meeting Objectives:</u> Meagan Wylie welcomed the attendees and reviewed the meeting ground rules, agenda and Brown Act provisions. Those present introduced themselves.

Approval of June 29, 2017 A/C Meeting Minutes: Upon motion by Member Duncan, seconded by Member Wilson and unanimously carried by those present, the Minutes of the June 29, 2017 A/C Meeting were approved as corrected. The last sentence of the third paragraph of Item #3 was deleted and replaced with the following: "The purpose of the grant for Category 1 is to deeply explore relevant issues around our severely disadvantaged community (SDAC) status and how those issues interface with the plan process." The following was added at the end of Item #5: "When the contaminants are a cause for alarm and what the existence of contaminants may mean as to water use was discussed. More monitoring will provide a better basis for answering questions."

Review status of Action Items from June 29th Meeting: Ms. Wylie reviewed the action items. All were complete or in progress. Mr. Poole announced that the new Borrego Water District (BWD) website, BVGSP.org, should be complete in about a week. There will be a section dedicated to the A/C. Ms. Wylie will put the hyper link shown on the bottom of each A/C Agenda. Member Duncan suggested including e-mail addresses for A/C members on the BWD website. Mr. Poole will work with the members to see if they want a new e-mail address for A/C business and whether they want their e-mail address posted on the website. Ms. Crow requested a list of any new e-mail addresses to ensure they are included in the SGMA interested persons list.

Ms. Wylie invited the A/C's attention to a handout, "Draft AC Interests & Issues Tracking," a tool for developing recommendations to the Core Team. She suggested trying the format for a few meetings to see how it works. Member Falk suggested that the column "Consensus Level" be changed to "Straw Poll Consensus Level." She also emphasized the need for the A/C to move forward into more substantial issues. She recommended that all members read BWD Director Brecht's draft Working Risk Management Brief, presented at yesterday's BWD meeting, and that it be included in the next A/C Agenda

package. She also recommended an early effort to discuss percentage water allocations assumed by the Borrego Water Coalition (BWC), 70 percent agriculture, 20 recreation and 10 residential. Member Duncan suggested the Core Team (CT) develop a "roadmap" of potential issues/topics for the AC to address over the next few months of Groundwater Sustainability Plan (GSP) development. Member Lawrence suggested meeting in a workshop format, perhaps with facilitators who are experts in the current topics of discussion.

BWD President Hart invited the A/C's attention to a handout, "Sustainable Groundwater Management Act (SGMA) Questions and Answers." She welcomed suggestions from members or their constituents. Director Brecht suggested putting it on the website, marked "draft," and Ms. Wylie agreed to do so, and also include it as a discussion item in the next Agenda. Mr. Poole will distribute an e-mail copy that will allow members to suggest edits in "track changes" for future amendments.

Item #2: Continued Discussion and Potential Actions: Proposition 1 Grant Funding Opportunity

Ms. Crow explained that only a few basins in the State are critically overdrafted as well as severely disadvantaged, Borrego being one, so there is a good chance of receiving Proposition 1 grant funds. The County and BWD, as a multi-agency Groundwater Sustainability Agency (GSA), need not submit a joint application. The County expects to seek funding for an Environmental Impact Report, General Plan amendments and zoning in the amount of \$500,000. She suggested that BWD apply for an equal amount that could include a socioeconomic study as well as the well metering and monitoring program. Ms. Crow clarified that given the time constraints of the grant and the County's contracting process, it would be challenging for the County to implement a well metering program with grant funding. Mr. Poole reported that BWD had conditionally approved a contract with LeSar Development Consultants for a socioeconomic study which will assist with the grant applications. Member Lawrence suggested including some community engagement work to ensure the study goes beyond written data and "brings people along." Mr. Driscoll presented a slide outlining the Proposition 1 grant application process and agreed to provide a link to the webinar from which it was extracted. Discussion followed regarding the \$1 million grant limit per GSA, and whether the \$500,000 for BWD would all be used up by the well metering. Director Brecht believed it would not.

President Hart asked the A/C for additional suggestions for Proposition 1 grant funded projects. Member Falk suggested water quality testing, and Member Hall suggested removal of dead trees from fallowed agricultural land and retraining laid off agricultural workers. Ms. Crow clarified that grant funds can only be used for specific purposes and Member Hall's suggestions may not be acceptable projects by DWR. Member Duncan reported that his ratepayer constituents agreed on the critical importance of the metering program. Member Wilson suggested the pumpers might share in the cost, partially grant funded, to free up funds for other projects as well.

Ms. Crow noted that the application period is August through October. Member Lawrence recommended applying early, to allow time for any amendments to the application that the State might request.

The Committee broke for lunch at 12:15 p.m. and reconvened at 12:30 p.m.

Item #3: Discussion and Potential Action: Requiring the Metering of all Wells in Borrego Springs Subbasin and Proposed Monitoring Program

Director Brecht reminded the A/C that the GSA does not have authority to require well metering until adoption of the GSP. It must be voluntary at this time, but the A/C can recommend that it be included in the GSP. Member Falk noted that the BWC recommended mandatory metering after GSP adoption, and

metering as many wells as possible at the earliest opportunity. Ms. Crow explained that for basins without GSAs, the State has adopted a fee schedule whereby pumpers without meters end up paying more. Member Wilson suggested making it clear to the pumpers that metering and monitoring may eventually be mandatory, and if they install or refurbish their meters now it may be totally or partially grant funded.

Member Duncan made a motion that the A/C recommend that once the GSP is adopted, metering be mandatory; and make it clear to the pumpers that if they volunteer for the program early, their costs may be subsidized. The motion was seconded by Member Berkley, and discussion followed. Member Wilson pointed out that pumpers may get credit against future water use reduction demands if they begin early.

Item #5: Benchmarking under SGMA Presentation

Mr. Driscoll suggested presenting his information from Item #5 at this point, since it was relevant to the current discussion. He explained that the GSP process includes a water budget update, allocation of groundwater extraction, development of sustainability goals and objectives, identification of projects and management issues, and development of an implementation plan. He pointed out that while historical pumping rates and consumptive use can be used to measure extraction, metering is the most reliable method. The benchmarking period is typically five years in groundwater rights adjudications but a 10-year period is expected to fairly establish historical production.

Item #3: Discussion and Potential Action: Requiring the Metering of all Wells in Borrego Springs Subbasin and Proposed Monitoring Program (continued)

Discussion continued regarding the motion to recommend mandatory metering in the GSP. Member Falk suggested including the issues of water cost and penalties for withholding information, but Member Duncan preferred to address those separately. Member Seley agreed to obtain information from his constituents on whether they want to volunteer for the voluntary metering program, perhaps get some historical water usage data, and provide the information to Mr. Driscoll.

Ms. Wylie polled the A/C on the motion. Members Wilson, Berkley, Lawrence, Duncan and Falk supported it. Members Hall and Seley felt they needed more time. They supported metering but were not comfortable with someone coming onto their property to read the meters. Discussion followed regarding the possibility of pumpers reading their own meter, how self-reading would be verified, and options for remote, wireless meter reading. Member Seley wanted to discuss the issue with his constituents. Further discussion was continued to the next meeting, and the motion was tabled.

Item #4:

Discussion: Policy on Projects Creating Additional Water Use post January 1, 2015 Pending Determination of Existing Allocations

Member Falk pointed out that the County does not have a policy preventing new projects which require increased water use. She asked the A/C to recommend that until the allocations are determined, a procedure be implemented, perhaps sign-off by BWD, to prevent or review new water use. Ms. Crow explained that any new project has to go through the California Environmental Quality Act, and the issue will be addressed in the GSP. The County does not currently have authority to do anything else. Mr. Poole pointed out that BWD signs a letter of availability before construction can begin, and is looking at this procedure with counsel. The water credit program also serves to limit increased water use. Director Brecht agreed to work with Member Falk to address her questions on the water credit program.

Item #6: Review Timeline for GSP Development and Milestones for AC Input/Recommendations on High-level Topics

Ms. Crow summarized an outline of the GSP, including among other things, data compilation and assessment, monitoring, data management, water level and quality data collection and budget. The A/C will provide input on the GSP deliverables, and Ms. Crow presented a timeline. Mr. Driscoll is nearing completion on the draft water budget and groundwater model. Projects, management actions and best management practices will be addressed in the fall of 2017 through the spring of 2018, and ordinance review and a draft GSP in the summer of 2018. Discussion followed regarding whether the A/C should meet more than once a month, and Director Brecht suggested using subcommittees. Ms. Wylie will check with legal counsel as to whether the Brown Act would apply to subcommittees, and will see that the slides presented today are posted on the County website and e-mailed to the A/C members.

Item #7: Receive Updates from A/C Members on Group Discussions

Member Falk reported that at the last Sponsor Group meeting, all members present wanted to implement metering and monitoring as soon as possible. Member Seley reported that his constituents had questions concerning whether we are trying to reduce water usage or farmed acreage. He will discuss this further with Mr. Driscoll. Ms. Wylie requested the A/C members to send her any materials they want distributed at subsequent meetings.

Item #8: General Comment from A/C Members and Receive A/C suggestions for Future Meeting Topics

No additional comments or suggestions.

Item #9: General Public Comment

Dennis Jensen reported that the agricultural constituents were working to provide recommendations to the GSA. They are concerned about being regulated out of business without compensation. Director Brecht pointed out that no one has a right to water over a sustainable yield, so everyone in the basin is actually in violation.

Item #10: Next Steps, A/C Meeting Date(s) and Closing Remarks

The next meeting was scheduled for September 28. Ms. Wylie will distribute a proposed agenda in advance and let the members know whether to send responses to her or to Mr. Poole.

Member Hall pointed out that the agricultural businesses support the community during the summer by creating jobs and supporting local businesses.

There being no further business, the meeting was adjourned at 3:00 p.m.

September 18, 2017

TO: Advisory Committee

FROM: Geoff Poole

SUBJECT: Item I.F: Opening Procedures: Organizational Procedures and Tools

Over our summer vacation, the Core Team and Consultants (Center for Collaborative Policy and Dudek) have been focusing on the following activities:

- 1. **Agenda Format**: BWD has recently changed to a new Legal Counsel and they reviewed the existing BWD agenda. The result included a few recommended additions at the bottom of the Agenda, and the additions seemed applicable to the AC agenda as well. Therefore, the AC Agenda format has been changed to follow BWD's agenda reviewed recently reviewed by BWD Counsel.
- 2. **Policy Recommendation Development Process**: The ultimate goal of the AC is to develop a list of Policy Recommendations on a list of key issues (from here on now to be known as "AC Policy Issues") to BWD and the County for possible inclusion into the Groundwater Sustainability Plan. The Core Team (CT) and Consultants have been discussing ways to build on the work done so far and create a path for the Advisory Committee (AC) to get to the point of making Policy Recommendations. Most importantly, the AC needs to have the opportunity for discussion and deliberation with his/her Constituent Group (CG) before returning to the AC for discussion and recommendation. Thus, the CT prepared the following recommended process for consideration by the AC:

Borrego Sustainable Groundwater Management Act (SGMA) Advisory Committee (AC)

DRAFT AC POLICY RECOMMENDATION PROCESS

September 20, 2017

1. <u>Introduction/Overview of the Issue to be Considered by AC</u>:

The Groundwater Sustainability Agency (GSA) Core Team (CT), which includes the Borrego Water District (BWD) and County of San Diego staff, provide introduction and overview of the issue to be considered. This may involve sharing previous studies and supporting documents.

2. Technical Presentation:

Consultants and/or CT provide detailed technical information, typically in PowerPoint presentation form, to support discussion and assist in the AC decision-making process. If information relevant to a particular issue was provided at a previous meeting, the CT and/or Consultant will provide a brief overview/update of the technical issues for the specific issue being discussed, as required.

3. Identify Questions Relevant to Issue:

CT will develop initial draft list of questions to be specifically addressed in the AC Policy Recommendation which is presented to AC for review, discussion and revision.

4. Constituent Group (CG) Input:

Following the meeting at which the specific Policy Recommendation related questions are agreed upon, AC members shall consult with their respective Constituent Group (CG) and return to the subsequent AC meeting with responses and/or positions on Questions identified in #3 above.

5. AC Discussions of CG Comments:

AC members shall provide feedback for the next AC Meeting Packet (if necessary and/or when time permits) summarizing CG comments and follow up questions. At that subsequent AC meeting, a discussion of the CG issues/questions raised will occur between AC, CT and Consultants. Verbal feedback shall be written into the record at the AC meeting to ensure all CG comments are received.

6. Develop Policy Recommendation:

Input from CT, AC and CG (steps 1-5 above) will be considered in the discussion/deliberations of the AC and conclude with a Policy Recommendation for the GSA.

September 18, 2017

TO: Advisory Committee

FROM: Core Team

SUBJECT: Item II.A: AC POLICY ISSUE #1: Metering Requirements for Non-de Minimis Wells

SGMA gives the legal authority for GSAs to create implementation measures within the Basin to reach sustainability including Mandatory Metering on domestic wells greater than 2 acre feet per year (651,702 gal). The issue of Mandatory Metering has been the topic of discussion for the previous two AC meetings. In June 2017, the issue was introduced, and in July 2017, a technical PowerPoint presentation was given by Dudek. During and following the presentation a few of the key components of metering such as mandatory vs. voluntary as well as various options for monitoring (GSA vs. Independent Contractor) were discussed.

To begin this process, relevant Background Info and a List of Issues/Questions have been created by the CT based on past discussions regarding mandatory metering and follows this Staff Report. A worksheet also follows to provide the ability for the AC member to ask the same questions as posed by the AC, be able to take notes on the comments received and document additional questions raised during the CG process.

Borrego Sustainable Groundwater Management Act (SGMA) Advisory Committee (AC)

ISSUES REQUIRING AC POLICY RECOMMENDATIONS

AC POLICY ISSUE #1: Metering Requirements for Non-de Minimis Wells

INTRODUCED: September 28, 2017

Following is background information and the initial list of relevant questions to be considered by the AC and their Constituent Groups (CG) to aid in answering the questions on the issue of Mandatory Water Metering, the GSA Core Team (CT) requests the questions be polled for consensus by the CGs at the October 2017 AC meeting.

BACKGROUND INFORMATION:

- What authority does SGMA provide for a GSA to meter wells? SGMA (Section 10725.8(a)) authorizes a GSA the ability to require through its groundwater sustainability plan (GSP) that every well within the management area of the GSA be measured by a water-measuring device satisfactory to the GSA. SGMA exempts domestic wells that use two afy (651,702 gal/yr) or less per year. Well metering can be required once a GSP is adopted.
- Who will pay for the installation of well meters? If mandatory metering is required, SGMA (Section 10725.8(b)) states that all costs associated with the purchase and installation of the water measuring device shall be borne by the owner or operator of each well. In early September 2017, Borrego Water District (BWD) sent out letters to well users in the Borrego Springs subbasin to determine the level of interest in participating in a voluntary metering program in which partial or complete rebates may be available through State Proposition 1 grant funding. The BWD will determine whether to pursue the State grant based on level of interest.
- <u>How will the well metering data be used?</u> Individual metering data collected will be used for GSP implementation to accurately monitor pumping volumes.
- Will the well metering data be public information once provided to the GSA? Yes, the GSA as a public agency would be required to disclose the data to anyone in the public who requests to receive the well metering data.
- What are the long-term funding sources of the well metering program? GSA expenses for administering the metering and monitoring program may be recovered through an administrative fee charged to individual pumpers.
- What potential impacts exist if wells are not metered and monitored? Any public agency required to purchase water allocations from an outside source will be required to establish that it is purchasing a measurable product within the constraints of required Basin wide reductions. As a result, unmetered water sources will likely not be eligible to participate in any purchase program.

AC QUESTIONS

- AC Policy Recommendation #1 Question #1: With the exception of domestic wells that use two afy (651,702 gal/yr.) or less per year, do you recommend meters be required to be installed on all wells within Borrego Springs subbasin?
 - YES or NO IF YES, See Question 2 below:
- AC Policy Recommendation #1 Question #2: If YES, what option(s) of well meter data collection, reporting, and calibration are preferred?

The following are potential options for AC consideration:

- Option 1: The Groundwater Sustainability Agency (GSA) inspects and monitors/reads the meter on a monthly basis and ensures the accuracy of the data including meter calibration. The GSA would provide an annual statement setting forth the total extraction in gallons from each well.
- Option 2: A third-party contractor acceptable to the GSA would inspect and monitor/read the meter on a monthly basis and verify the accuracy of data including meter calibration. The third-party contractor would provide an annual statement to the GSA setting forth the total extraction in gallons from each well.

Regardless of which Option is selected above, remote telemetry is a potential technology that could be considered, where practical, for the GSA or Contractor to obtain meter reads on a monthly basis and can be further discussed.

AC ISSUE #1: Mandatory Metering September 28, 2017 - AC Recommendation Worksheet

Requested Recommendation: With the exception of domestic wells that use two afy (651,702 gal/yr) or less per year, do you recommend Mandatory Metering on all wells within Borrego Springs subbasin? YES or NO, explain

Notes:
If metering is required, what option(s) of well meter data collection, reporting, and calibration are acceptable? The following are potentially acceptable options for AC consideration:
Option 1: The Groundwater Sustainability Agency (GSA) inspect and monitors/reads the meter on a monthly basis and ensure the accuracy of the data including meter calibration. The GSA would provide an annual statement setting forth the total extraction in gallons from each well. Notes:
Option 2: A third-party contractor acceptable to the GSA would inspect and monitor/read the meter on a monthly basis and verify the accuracy of data including meter calibration. The third-party contractor would provide an annual statement to the GSA setting forth the total extraction in gallons/acre-feet from each well. Notes:
For Option 1 or 2, remote telemetry is a potential technology that could be considered, where practical, for the GSA to obtain meter reads on a monthly basis and can be further discussed. Notes:

Background Information:

- What authority does SGMA provide for a GSA to meter wells? SGMA (Section 10725.8(a)) authorizes GSA the ability to require through its Groundwater Sustainability Plan (GSP) that every well within the management area of the GSA be measured by a water-measuring device satisfactory to the GSA. SGMA exempts domestic wells that use two afy (651,702 gal/yr) or less per year. Well metering can be required once a GSP is adopted.
- Who will pay for the installation of well meters? If mandatory metering is required, SGMA (Section 10725.8(b)) states that all costs associated with the purchase and installation of the water measuring device shall be borne by the owner or operator of each well. In early September 2017, BWD sent out letters to well users in the Borrego Springs subbasin to determine the level of interest in participating in a voluntary metering program in which partial or complete rebates may be

- available through State Proposition 1 grant funding. The BWD will determine whether to pursue the State grant based on level of interest.
- <u>How will the well metering data be used?</u> Individual metering data collected will be used for GSP implementation to accurately monitor pumping volumes.
- Will the well metering data be public information once provided to the GSA? Yes, the GSA as a public agency would be required to disclose the data to anyone in the public who requests to receive the well metering data.
- What are the long-term funding sources of the well metering program? GSA expenses for administering the metering and monitoring program may be recovered through an administrative fee charged to individual pumpers.
- What potential impacts exist if wells are not metered and monitored? Any public agency required to purchase water allocations from an outside source will be required to establish that it is purchasing a measurable product within the constraints of required Basin wide reductions. As a result, unmetered water sources will likely not be eligible to participate in any purchase program.

Notes:	
Background documentation:	
BWC recommendations	
Technical presentation by Dudek	
Other considerations	
	-

September 18, 2017

TO: Advisory Committee

FROM: Core Team

SUBJECT: Item II.B: AC POLICY ISSUE #2: Baseline Pumping Allocation

ITEM EXPLANATION: Dudek provided a Technical Presentation on the issue of Benchmarking (Baseline Pumping Allocation) at the July 27, 2017 AC meeting. The PowerPoint presentation is available from the County's website. In summary, the Baseline Pumping Allocation establishes historical rates of groundwater extraction (pumping) over a given period of time. SGMA allows for local development of the Baseline Pumping Allocation period. The 10-year period from January 1, 2005 to January 1, 2015 was presented as the baseline period to analyze historical rates of pumping in the Borrego Springs Subbasin. The end date of the pumping period is based on Water Code § 10720.5, which is the cut-off date for claims of prescription. The average pumping rate over the 10-year period by each pumper is their baseline pumping allocation. This is the starting point from which future water use reductions will be based.

In the presentation at the last July 27, 2017 AC Meeting, Dudek discussed the general approach of setting a baseline pumping allocation and how water use trended by water sector (i.e. Agricultural, Municipal and Recreation) during the 10-year period from 2001 to 2010.

Dudek will present at the September 28, 2017 AC meeting additional information pertaining to Baseline Pumping Allocation including preliminary water use by sector estimates for the 10-year period from January 1, 2005 to January 1, 2015.

To begin this process, relevant Background Info and a List of Issues/Questions has been created by the CT based on past discussions regarding baseline pumping allocations, and follows this Staff Report.

A worksheet also follows to provide the ability for the AC member to ask the same questions as posed by the AC, be able to take notes on the comments received and document additional questions raised during the CG process.

Borrego Sustainable Groundwater Management Act (SGMA) Advisory Committee (AC)

ISSUES REQUIRING AC POLICY RECOMMENDATIONS

AC POLICY ISSUE #2: Baseline Pumping Allocation

INTRODUCED: September 28, 2017

Following are questions to be considered by the AC and their CG on the issue of developing a baseline pumping allocation for water use and background information to aid in answering the questions. The CT requests the questions be polled for consensus at the October 2017 AC meeting.

BACKGROUND INFORMATION:

- What authority does SGMA provide for a GSA to establish baseline pumping allocations? A GSA has the authority to control groundwater extractions by regulating, limiting, or suspending extractions from individual groundwater wells or extractions from groundwater wells in the aggregate, construction of new groundwater wells, enlargement of existing groundwater wells, or reactivation of abandoned groundwater wells, or otherwise establishing groundwater extraction allocations. Those actions shall be consistent with the applicable elements of the city or county general plan, unless there is insufficient sustainable yield in the basin to serve a land use designated in the city or county general plan. A limitation on extractions by a groundwater sustainability agency shall not be construed to be a final determination of rights to extract groundwater from the basin or any portion of the basin (Section 10726.4(a) (2)).
- Are allocations transferable? A GSA has the authority to authorize temporary and permanent transfers of groundwater extraction allocations within the agency's boundaries, if the total quantity of groundwater extracted in any water year is consistent with the provisions of the groundwater sustainability plan. The transfer is subject to applicable city and county ordinances (Section 10726.4(a) (3)).
- What if I do not use my entire pumping allocation? A GSA has the authority to establish accounting rules to allow unused groundwater extraction allocations issued by the agency to be carried over from one year to another and voluntarily transferred, if the total quantity of groundwater extracted in any five-year period is consistent with the provisions of the groundwater sustainability plan (Section 10726.4(a) (4)).
- Who sets the baseline pumping allocation? The GSA establishes the baseline pumping allocation.
- <u>How do you define baseline pumping allocation?</u> It is defined as the amount of groundwater each pumper in Borrego Springs is allocated prior to applying any SGMA required water use reductions.
- How is the baseline pumping allocation determined? Pumping allocations are typically determined based on documented metered groundwater extraction (pumping) records. In the absence of metered data, water use will be estimated based on area of irrigation and water intensity. If documented metered data is not provided an adjustment of pumping allocations could be required to account for

- over estimating water use based on consumptive use of crops. The average annual groundwater extraction over the 10-year period from January 1, 2005 to January 1, 2015 will be assigned as the baseline pumping allocation to each pumper in the Borrego Springs Subbasin.
- How was the end date of January 1, 2015 selected? This is based on Water Code 10720.5 No Modification of Water Rights or Priorities, and No Determination of Water Rights Pursuant to This Part. This will be explained by DUDEK during the September 28, 2017 AC meeting.
- The GSA will not include domestic wells that use two afy (651,702 gal/yr) or less per year since it is exempt from SGMA.
- The GSA requests to receive historical groundwater extraction data in order to refine groundwater demand. Without the actual historical groundwater data, the allocation will be developed based on estimates.

AC QUESTIONS

- **AC Question:** The baseline pumping allocation will be developed based on average water consumption during the 10-year period from January 1, 2005 to January 1, 2015. The pumping allocation will take into account water use by all pumping sectors: agricultural, municipal, and recreational.
- Do you recommend a Baseline Pumping Allocation (prior to any SGMA required reductions) using a 10-year average from Jan. 2005 thru Jan. 2015?
 - YES OR NO

AC ISSUE #2: Baseline Pumping Allocation September 28, 2017 - AC Recommendation Worksheet

Requested Recommendation: The baseline pumping allocation will be developed based on average water consumption during the 10-year period from January 1, 2005 to January 1, 2015. The pumping allocation will take into account water use by all pumping sectors: agricultural, municipal, and recreational. *Do you recommend a Baseline Pumping Allocation (prior to any SGMA required reductions) using a 10-year average from Jan. 2005 thru Jan. 2015?*

No	Notes:			
0	The baseline pumping allocation will be developed based on average water consumption during the period selected. The pumping allocation will take into account water use by all pumping sectors: agricultural, municipal, and recreational.			
No	ntes:			
0	The GSA will not include domestic wells that use two afy (651,702 gal/yr) or less per year since it is exempt from SGMA.			
<i>N</i> ₀	otes:			
0	The GSA requests to receive historical groundwater extraction data in order to refine groundwater demand estimates. Without the actual historical groundwater data, the estimate will be developed based on the level of uncertainty derived from comparing actual and predicted water used for an agricultural use or golf course.			
No	otes:			
0	The GSA is considering cases where land has been fallowed that meets both Borrego Water District and County of San Diego requirements. In these instances, the baseline pumping allocation will be based on average water consumption prior to the land being fallowed.			
No	otes:			

ackground Information & Documentation:	
otes:	
ther Considerations:	

TO: Advisory Committee

FROM: Core Team

SUBJECT: Item III.B: Sustainability Indicators, Measurable Objectives, and Minimum Thresholds

Another significant component of SGMA is the manner in which sustainability is defined and measured. As defined by SGMA, there shall be "no undesirable results" in six Sustainability Indicators:

- 1. Chronic Lowering of Groundwater Levels
- 2. Reduction in Groundwater Storage
- 3. Seawater Intrusion
- 4. Degraded Water Quality
- 5. Land Subsidence
- 6. Depletion of Interconnected Surface Water

Not all of the Sustainability Indicators are applicable. Table 1 presents the sustainability indicators and applicability to the Borrego Springs Subbasin.

Table 1
Applicability of Sustainability Indicators to Borrego Springs Subbasin

Sustainability Indicator	Applicability
Chronic Lowering of Groundwater Levels	Applicable
Reduction in Groundwater Storage	Applicable
Seawater Intrusion	Not applicable
Degraded Water Quality	Applicable
Land Subsidence	Insignificant impact. Watch-status with periodic monitoring ¹
Depletion of Interconnected Surface Water	Limited Applicability. Undergoing additional analysis

^{1.} See land subsidence results in USGS 2015, which indicate that GPS surveys are within the expected range of uncertainty, and that there has not been significant land-surface elevation change during the 41-year period from 1969 to 2009.

Specific definitions for undesirable results and measurable objectives will only be developed for applicable sustainability indicators: chronic lowering of groundwater levels, reduction in groundwater storage and degraded water quality. No definition will be developed for seawater intrusion or depletion of interconnected surface water. A general undesirable result will be adopted for land subsidence but a measurable objective and minimum threshold will not be defined unless future monitoring indicates detectable subsidence.

SGMA defines sustainable groundwater management as the "management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results" (DWR 2016).

Undesirable results are descriptive. They are statements of what constitutes a "significant and unreasonable effect" caused by groundwater conditions in the basin. "Significant and unreasonable effect" is not strictly defined in the legislation or the Final Emergency Regulations (DWR 2016). Every GSP may

decide, based on local conditions, what defines significant and unreasonable. This allows every GSP to define undesirable results to reflect local concerns, values, and outcomes.

Undesirable results must be defined for each of the applicable six sustainability indicators. A single undesirable result may be adequate for each sustainability indicator, or multiple undesirable results may be defined. As the Subbasin is divided into management areas, it is acceptable for different undesirable results to be defined for each management area, if necessary.

Measurable objectives are specific, quantifiable goals for the maintenance or improvement of specified groundwater conditions that have been included in an adopted GSP to achieve the sustainability goal for the basin. The GSP must include one or more measurable objectives for each applicable sustainability indicator. Appropriate measurable objectives need to be set to ensure that the basin avoids undesirable results within prescribed 20-year timeframe of GSP implementation.

Minimum threshold refers to a numeric value for each sustainability indicator used to define undesirable results. It can be described as a 'tipping point' that once exceeded may result in significant and unreasonable conditions in the Subbasin or Management Area.

SGMA requires evaluation of the sustainability indicators and minimum thresholds in the following ways:

- Description of Undesirable Results for any of the sustainability indicators
- Cause of groundwater conditions that would lead to Undesirable Results
- Criteria used to define Undesirable Results based on minimum thresholds
- Potential effects on the beneficial uses and users of groundwater, on land uses and property interests, and other potential effects that may occur or are occurring from Undesirable Results
- Description of each minimum threshold and how they were established for each relevant sustainability indicator
- Relationship for each sustainability indicator
- Description of how minimum thresholds have been selected to avoid causing Undesirable Results
- Description of how minimum thresholds may affect the interests of beneficial uses and users
- Standards related to sustainability indicators
- How each minimum threshold will be quantitatively measured for each relevant sustainability indicator

Dudek will be making a presentation at the meeting to further introduce this item to the AC.

September 18, 2017

TO: Advisory Committee

FROM: Core Team

SUBJECT: Informational Items and Correspondence

A. State of California SGMA/GSP Informational Document

As a reference document, the Draft Groundwater Sustainability Plan (GSP) Annotated Outline Guidance Document issued by the Department of Water Resources (DWR) in October 2016 can be found online at: http://water.ca.gov/groundwater/sgm/pdfs/GD GSP Outline Draft 2016-10-28.pdf. The objective of this Guidance Document is to provide Groundwater Sustainability Agencies (GSAs) and other stakeholders an example Groundwater Sustainability Plan (GSP) Annotated Outline to aid in GSP development and standardize future reporting. The GSP Annotated Outline is only intended to provide general guidance to GSAs and other stakeholders. GSAs have the option of using this information as they develop a GSP, as the content provided here does not create any new requirements or obligations for the GSA or other stakeholders.

B. Proposition One Grant Application Update

BWD and The County continue to work on the development of the Prop One Grant Application for GSP implementation. Here is an update:

BWD has formed a Board Committee (Directors Tatusko and Ehrlich) and will be soliciting public input into the process by holding a Workshop and other meetings as needed to determine BWD priorities and other components of the Application. Per the Proposition One GSP and Projects proposal Solicitation Package (PSP), the following projects may be pursued under the grant:

Technical and Planning Assistance

- Vulnerability assessments
- Technical assistance for SDACs to gather information and participate in groundwater sustainability planning activities
- Evaluate the groundwater management needs of SDACs, including actions that foster engagement of SDACs in sustainable groundwater planning activities

Other Projects

- Develop feasibility studies
- Design and environmental planning
- Develop pilot or demonstration projects
- Connect communities on degraded groundwater to municipal supplies
- Installation of meters on groundwater production wells
- Instrumentation of monitoring wells with pressure transducers

Link to PSP: http://www.water.ca.gov/irwm/grants/sgwp/sgwp_docs/2017_SGWP_Grant_PSP_09132017.pdf

A letter was sent to all well owners in the Borrego sub basin updating them on the process and asking if they would be interested to participate in the Voluntary Metering Program. 16 responses have been received with 10 saying YES, 5 saying NO and 1 N/A Well Abandoned. BWD will be following up with all of the YES' and for those interested in the Meter Rebate Program, specific estimates will develop for possible inclusion into the Prop One Grant Application.

The County of San Diego is requesting \$500,000 for a General Plan Amendment, Zoning Ordinance Amendment, and revisions to the Borrego Springs Community Plan. The grant application will also include California Environmental Quality Act (CEQA) documentation for any projects that would implement actions pursuant to the GSP. An Environmental Impact Report (EIR) may be required.

C. Revisions to SGMA Frequently Asked Questions (FAQ) Document

The BWD has drafted FAQs which have been provided to the County and AC for input before posting online.

D. Correspondence

The attached correspondence, beginning on page 25 of this agenda packet, has been received since the last AC meeting. Staff will add the issues to the Information Tracking Form and incorporate responses into future AC meetings.

Borrego SGMA Advisory Committee (AC) & Core Team (CT) Work Planning & Timeline Chart

Version 09/20/17 – subject to updates and change

Date	Meeting / Milestone / Action	Topics to Discuss / Notes	
September 2017	Action		
September 28, 2017	Borrego AC Meeting #6 Borrego Water District 10:00am – 3:00pm	 AC Six-Step Decision Making Process AC Issue #1: Mandatory Metering AC Issue #2: Baseline Pumping Allocation Sustainability Indicators and Minimum Thresholds 	
Ostobor 2017		Proposition 1 Funding Updates	
October 2017	Dawner ACMarking #7	105 ID 115 M 1	
October 26, 2017	Borrego AC Meeting #7 Location TBD 10:00am – 3:00pm	 AC Formal Recommendation: Metering AC Formal Recommendation: Baseline Pumping Allocation Informational Item: Water Budget Projects and Management Actions: Matrix with considerations feasibility and cost/benefit, weighed against sustainability indicators (effect) Introduction: Decision Support System Model Update on Community Engagement and Public Outreach Efforts "Phase 2" 	
November 2017			
November xx, 2017	Borrego AC Meeting #8 Location TBD 10:00am – 3:00pm	 AC Formal Recommendation: Water Budget - tentative Projects and Mgmt Actions (Fall – Spring) Introduction: GoldSim Applicability 	
December 2017			
TBD	AC meeting during Dec. is to be determined	Projects and Mgmt Actions (Fall – Spring)	
January 2018			
		 Projects and Mgmt Actions (Fall – Spring) Potential Discussion: Water Credits System 	
February 2018			
		 Projects and Mgmt Actions (Fall – Spring) 	
March 2018			
		 Projects and Mgmt Actions (Fall – Spring) 	
April 2018			
		 Projects and Mgmt Actions (Fall – Spring) 	
May 2018			
		 Projects and Mgmt Actions (Fall – Spring) 	
June 2018			
June 30, 2018	Draft GSP Projected Completion Date		

	Responsible Party	Topic	Action Item	Status
1.	Meagan Wylie	Admin	Circulate relevant meeting documents to AC members via email: a. PDF of PPT slides to AC members b. Finalized June 28 th Meeting Minutes c. Risk Management Brief from 07/27 BWD Board Meeting d. Word version of FAQ Document prepared by BWD e. Borrego Water Coalition 2014 Policy Recommendations f. Link to SGMA PSP Funding Overview Presentation g. Draft July 28 th Meeting Minutes h. Updated Issues & Interests Tracking Tool	COMPLETE
2.	AC Members	Admin	Prepare and bring any proposed language revisions/edits to Meeting Minutes, or any future formal document, into subsequent meeting for efficiency of group discussion.	Ongoing
3.	AC Members	FAQ Doc	Review draft FAQ document and provide suggested edits/comments in "tracked changes" to Meagan and/or Geoff for compilation in advance of the next AC meeting.	COMPLETE
4.	County Team Geoff Poole Trey Driscoll	Admin	Post July 28 th PowerPoint presentation slides and other associated meeting materials to the Project Webpages. As needed, work with Trey to ensure notes/annotations accompany the various slides for further explanation of detail.	COMPLETE
5.	Geoff Poole	Admin	Update AC email contacts posted to BWD website; send updated contacted list to County and Consultant Teams - BWD anticipated website launch: beginning of October	In Progress
6.	Meagan Wylie	Admin	Confirm September 28 th meeting date with all AC and CT members	COMPLETE
7.	•	Admin	Update "Interests and Issues Tracking" spreadsheet for capturing AC issues identified at each meeting and status of the related discussion	Ongoing
8.	Meagan Wylie Core Team	Admin	Develop potential issues/topics for AC to address over the next few months of GSP development	Ongoing
9.	Meagan Wylie	Admin	Confirm with legal counsel that AC Sub-committees of only 2 persons are not subject to the Brown Act (as related to By-laws Section F)	COMPLETE
10	-	Prop 1	Contact Geoff Poole with any questions re: Prop 1 flow metering grant	Ongoing
11	AC Members	Prop 1	Consider taking action in support of the Prop 1 County and BWD grant applications, once they are developed.	In Progress
12	Trey Driscoll	Prop 1	Continue developing inventory of pumpers in the Borrego groundwater basin	In Progress
13	,	Metering	Inquire with constituent group members if there is historical metering data that can be shared with Trey Driscoll for the purpose of developing more accurate baseline records.	In Progress
14	Jim Seley	Metering	Poll constituents regarding their interest in the voluntary metering/monitoring	

15	Jim Seley	Proposed	Discuss questions re: water use reduction versus acreage reduction	
		Mgmt.	with Trey as needed	
		Acts.		
16	AC	Proposed	(06/28/17) Develop a list of factors against which to measure potential	In
	Members	Mgmt.	management actions (e.g. employment, schools, dust abatement, etc.);	Progress
		Acts.	send them to Geoff for distribution to the Core Team and discussion at	
			subsequent AC meeting	

Ongoing Action Items

- 1. **AC Members** to send requested agenda items to Meagan.
- 2. **AC Members** to prepare and bring any proposed language revisions/edits to Meeting Minutes (or any future formal document) into subsequent meeting for efficiency of group discussion.
- 3. **AC Members** to contact Geoff Poole if they would like to request his attendance/participation at constituent group meetings
- 4. **AC Members** to contact Geoff Poole if they would like a unique email address set up specifically for Advisory Committee correspondences
- 5. **Geoff Poole** to collect all written public comment, compile, and include in "Meeting Packets" that are posted 72 hours in advance of meeting dates
- 6. Wendy Quinn to incorporate Action Items list into Meeting Minutes

EMAIL FROM BILL BERKELY

Geoff and Trey

I would like to request that we add two items to the September agenda:

- 1. A comparison between the suggested Dudek 3.33:1 fees and a \$200 per acre foot pumping charge. Please include the amount raised per year and over 20 years.
- 2, The estimated value of farmland, which will determine the amount of money we have to raise. Perhaps Trey could show a comparison between the two charges for a typical 1,000 afy user whether a golf course or a farmer.

Please include the amount of money the two different methods would raise every year starting in 2020 and when and how the money would be spent. I suggest that you use \$200 per acre foot for the pumping charge. I estimate that in approximately 7 years we would raise \$26 million which is more than enough to buy out the farmers.

It's imperative that we find out the value of farmland given the current SGMA requirements and the introduction of some kind of water charge. I suggest we ask a farmer to provide a farm appraiser who could address this issue and at a minimum provide the cap rates for the different kinds of farms.

During the meeting, I asked one of the citrus farmers what the average net profit was per acre of citrus land. His answer was \$1,000. I would be surprised if a citrus farmer would be able to generate this average over a five-year period.

I am not sure what the appropriate capitalization rate is given SGMA restrictions and a water charge, but without a pumping charge and at 15% cap rate the total value of all the farmland would be \$18 million.

If a \$200 per acre foot fee is imposed, the citrus farmer's net operating income drops from \$1000 per acre to \$20 and the value of a citrus acre drops to less than \$200

I look forward to your response.

Best.

Bill Berkley

Rebecca Falk

Member, Groundwater Sustainability Plan Advisory Committee, Borrego Springs

August 17, 2017

To Core Group Members and to the Advisory Committee:

I am offering the following suggestions in the hope that the Advisory Committee meetings can be more effective and fruitful. The structure of the meetings does not seem to be working to move us forward toward our goal of making decisions to create a Groundwater Sustainability Plan. We seem to be taking steps that undo previous work done by the Borrego Water Coalition. The "Borrego Water Coalition Recommended Policies for the Borrego Valley's Groundwater Sustainability Plan" should be the stepping off point for discussions of the Advisory Committee. Instead we seem to be in a free-fall and have lost momentum and a comprehensible structure for regaining it.

We also are confusing both AC members and the public, which is why I say we have lost momentum.

To move forward and to keep ourselves and the public with our endeavor, I suggest that we agree to use the BWC Recommendations as a stepping off point for our discussions, so that we begin from a place that many water users in the Borrego Valley agreed upon after years of meeting and working on the issue. I don't say we should adopt those "Recommendations" because the meetings were not public and many acutely feel that they had no part in coming up with the "Recommendations." Nevertheless, the "Recommendations" have a structure and content that we should be able to use as a stepping off point for our decisions.

In addition, I think we need to have an agenda that governs our discussions that is designed to move them forward and to accomplish our goal of creating a GSP. I am attaching an agenda that simply puts our core issues on the table, one by one, for discussion, in a format that is Brown Act compliant. It is not intended to be a single-meeting agenda, rather it can be an over-arching agenda for our meetings so that we know what our steps are and how we are progressing. Furthermore, the agenda makes our process more available to the public, and provides a template for that availability for any agenda, which we have an obligation to do under the Brown Act. I think the AC members can understand these items and this agenda--along with using the BWC "Recommendations" as a stepping off point--would enable us to methodically address the central issues for the GSP.

Technical presentations should inform us relative to these items as appropriate. Right now, the technical issues seem to be taking up the most meeting-time space without a clear or sufficient guiding structure to which they can apply and be tailored to address.

I urge the Core Team Members to discuss this and to bring this before the group, and to let the AC begin to do the kind of consultation and deliberation that we are there to do.

Sincerely, Resecca Fall

Attachments: BWC Recommendations

Proposed Agenda

Rebecca Falk
Member, Borrego Groundwater Sustainability Plan Advisory Committee

August 5, 2017

To Borrego GSP Core Team Members Re: Proposition 1 Grant Application

Dear Geoff, Lyle, Beth, Jim and Leanne,

After thinking about the presentations and discussions made at the GSP Advisory Committee meeting of July 27, 2017, I want to make the following comments in time for these points to be considered by the Core Team before grant applications are made for the DWR administered GSP Proposition 1 grant funds.

1. As a severely disadvantaged community (SDAC), Borrego needs the kind of support \$1 million in grant funds can offer. I do not believe it is appropriate for San Diego County to (apply to) appropriate one half of that amount to defray County costs for a General Plan Amendment, EIR, and Zoning Amendment, simply because we need those funds locally as we head into a costly process that will challenge BWD's resources.

The intent on the part of the County to apply for \$500K of Prop 1 funds was announced at the meeting, not as a matter to be discussed, but as a matter that had to be accepted, it seems to me. I believe it would have been more appropriate to present this as a question to the AC, seeking our thoughts on whether this is the best use of those funds for Borrego. As a result, the AC was unprepared to think about this adequately.

2. Please see attachment, front cover from a workshop on the Prop I funds put on by DWR in June and one page, "Examples of Category 1 Projects" from their online presentation.

We have talked about the last item on the list of examples on the attached page, having to do with well metering and monitoring, but we haven't spent much time on the other items. Included in those items is Vulnerability assessments, Feasibility studies, Design and environmental planning, Evaluate the groundwater management needs: Actions that foster engagement of SDACs in sustainable groundwater planning activities, and Retrofit existing groundwater well system.

We had some discussion about socio-economic studies to understand community-wide impacts of our decisions, and to obtain contracted guidance in involving the rate-paying community in understanding and participating in the groundwater sustainability plan process. I hope and expect that BWD and the core team will think about using Prop 1 funds for a much-needed effort in these areas.

I wish we had been given presentations related to some of the other items on this list. I am concerned because any costs that occur in the future that are not accounted for during the GSP process may end

up being costs the rate payers have to bear. This could end up overburdening our SDAC by surpassing what BWD can recoup by charging for water and making use of available financial resources.

I urge BWD and the core team members in particular to reconsider diverting possible Prop 1 funds away from community GSP related needs to fund county legal requirements, and to always keep in mind that if BWD is not solvent in the future, we will have failed to do what we are tasked to do in the AC.

Let's submit a proposal for \$1 million that would use Prop 1 funds to help us do a good job in addressing in every way we can our needs relative to bringing our basin into sustainable use, how to get there, and giving us technical and equipment/well support that we need to keep servicing our severely disadvantaged community.

Thank you,

Rebecca Falk

13 September 2017

TO: General Manager and Board of Directors

Borrego Water District

FROM: Suzanne Lawrence

Stewardship Council Representative to the GSP Advisory Council

SUBJECT: Request for BWD to make direct public engagement in the scoping of the

GSP Planning Grant Proposal an institutional priority

The Borrego Valley Stewardship Council (BVSC) respectfully requests BWD to make direct community engagement in the scoping process for the application for a Prop 1-funded GSP Planning Grant an institutional priority. We suggest two specific actions:

- 1. Expand public participation in the ad hoc scoping committee, which now consists of Directors Harry Ehrlich and Joe Tatusko, to include at least two public members. Preferably those members would have specific knowledge of large-scale civic engagement / community outreach programs in a resource management setting, and direct knowledge of relevant documents governing GSP via DWR. BVSC understands it is common BWD practice to engage members of the public with specific content knowledge to serve on working committees. We are asking this practice be applied ASAP to the scoping process for the Prop 1 GSP Planning Grant application.
- 2. Require a series of interviews between the consultant and key members of the community, as well as Advisory Council Members, in order to get a broader idea of socioeconomic and community engagement needs BEFORE scoping the grant proposal. This community-derived information should be distilled and brought back to the ad hoc scoping committee to assist it in determining the scope and scale of project requests to DWR.

RATIONALE:

BVSC views the recently announced availability of Prop 1-funded GSP Planning Grants as a unique opportunity not likely to recur. Receiving a grant would allow the BWD to invest in building capacity to meet its new, much broader, SGMA-created responsibilities to manage water. For example, the Proposal Solicitation Package for Prop 1 grants lists, as an eligible Category 1 project, evaluating "the groundwater management needs of SDACs" (severely disadvantaged communities). Working in the SDAC framework is not an area in which the BWD has extensive experience. Again and again the new DWR guidance document for the GSP, "Stakeholder Communication and Engagement," stresses not only informing the public, but also engaging and involving "diverse social, cultural, and economic elements of the population within the basin." (p. 1) Therefore, at this stage, BVSC specifically suggests that BWD begin to develop capacity for direct and broad citizen engagement in both decision-making and responsible resource management.

DWR recognizes that before the new mandates in SGMA, public water agencies have viewed empowering citizens to be beyond the scope of the agency and inherently risky. The notion has been that fiduciary responsibility REQUIRES water districts to be sparing in scope and dubious about the potential outcomes of investing significant time and effort in community engagement.

The implementation of SGMA mandates water districts adopt a new and very different paradigm of community engagement. In the pre-SGMA paradigm, water districts were incentivized to avoid the risk of "too much" community engagement. The advent of SGMA means water districts are now at risk of not having enough community engagement. This is why DWR recently issued the guidelines referenced above, "Stakeholder Communication and Engagement,"

LINK TO NEW GUIDELINES:

http://www.water.ca.gov/groundwater/sgm/pdfs/GD_C&E_Final_2017-06-29.pdf

The graphic on page 4 of the new DWR guidelines assists GSAs in gauging the difference between minimal efforts and maximum efforts of community engagement. Under the new guidelines the current BVGB Communication and Engagement (C&E) plan, written by the County in March 2017, could be seen as being at the minimal end of the scale. But the Prop 1 planning grant solicitation encourages applicants to evaluate SDAC needs, and to make communication and engagement with marginalized communities a top priority. Enhanced C&E effort should be one of the top priorities in the scoping of the grant application.

Acknowledging the County has already developed and submitted a C&E plan to DWR, several months before DWR issued its recent C&E guidelines, the question to the BWD grant committee is: Is it possible to develop a proposal for a Prop 1 GSP planning grant that could add to the C&E plan that has already officially been submitted?

From the perspectives of the Stewardship Council we would like to see a C&E plan that commits to the level of activity characterized on page 4 of the new guidelines as "Empowered." Correspondingly, we would like to revisit the current C&E Plan to see if it meets those standards. We see the Prop 1 GSP planning grant as an ideal vehicle to enable that work. We also believe the BWD has identified capable consultants with a high level of expertise in C&E work, and that these consultants are poised to perform.

JIM WILSON

Action items for A/C

Establish a check list of issues to measure effects of actions to reduce water withdrawal.

ie; labor, Schools, Economy, Environment, Quality of life, businesses, water district finances, dust abatement, etc

Require mandatory metering

Method for validation of reports

Solicit agriculture to establish targets for water reduction for the period 2018/2019 to get a start on the mandatory reduction for 2020 and on

Should there be different reduction targets for each sub-basin factoring in usage

Contact Bill Berkley for a tour of the hydroponics growing area as a possible long term solution for agriculture

Find funding to study the cost to convert citrus grove to hydroponics crops

Determine if grants are available to cover conversion costs

I think there has been enough time on preparation of the A/C and there needs to be real action items for agriculture to accomplish the reduction of water withdrawal to an established schedule

Reduce editorial verbal presentation to more action oriented input.

Ie; questions, answers, statement of facts about issues, suggested courses of action.

Copy of Roger Mann study

All attention is on reduction of water use, non on retention

TO BORREGO VALLEY GROUNDWATER AUTHORITY ADVISORY

COMMITTEE

FROM AGRICULTURE REPRESENTATIVES

DATE September 15, 2017

RE Omission of an Agricultural Demand Purchase Program and of a Landowner

Pumping Rights Transfer Policy from Core Team Work Products, and Resulting

Water Rights Implications

PROBLEM

The Agricultural Representatives are concerned that the work products being distributed to the Advisory Committee, such as the "Working Risk Management Brief" and "SGMA Questions and Answers" distributed at the July 27, 2017 Advisory Committee meeting, omit any mention of a program to fund agricultural land acquisition and/or fallowing and to provide for landowner pumping rights transfers as a necessary part of the overall groundwater management strategy. The Borrego Water Coalition's Groundwater Quality Policy Recommendations approved in 2014 included the development of separate funding mechanisms, both public and private, to pay for acquiring and/or fallowing agricultural land as a way to expedite bringing the basin into balance, and for transfers of pumping rights among landowners. The Coalition members made it clear that without such a program, support for the Policy Recommendations from all members of the Coalition should be considered non-binding.

The water use reduction and assessment policies being advocated as part of the groundwater management strategy are necessarily connected to an agricultural land purchase and landowner pumping rights transfer program. Agricultural landowners have been working in good faith with the Borrego Water District to obtain funding sources for agricultural land acquisition and fallowing to contribute to such a program, including helping to fund the current bond proposal.

The discussion below highlights the importance of advancing an agricultural fallowing and landowner pumping rights transfer program as a necessary part of any agreement for across-the-board reductions in groundwater production and other management strategies. Without agreement on such a program, the currently proposed groundwater reduction strategies would not be consistent with the Borrego Water Coalition or Advisory Committee processes, and would violate overlying landowner water rights protected under the Sustainable Groundwater Management Act ("SGMA").

The Agricultural Representatives request that the Advisory Committee focus on developing the Agricultural Demand Purchase Program and a Landowner Pumping Rights Transfer Policy to build on the Borrego Water Coalition's work and avoid needless controversy.

RE: Omission of [Agricultural Credit Program] from Core Team Work Products and Effect on Water Rights
September 21, 2017
Page 2

GUIDING PRINCIPLES

Under SGMA, the Groundwater Sustainability Agency ("GSA") must consider the interests of holders of overlying groundwater rights, including agricultural, recreational and domestic well owners. (Water Code, section 10723.2(a).) The GSP must follow and cannot alter landowner groundwater rights. (Water Code, sections 10720.1(b) [preserve security of water rights]; 10720.5(a) [not modify rights or priorities]; and 10720.5(b) [not alter groundwater rights].)

The groundwater rights of overlying landowners have priority over municipal water rights. (*City of Barstow v. Adelanto* (2000) 23 Cal.4th 1224, 1240.)

Landowners preserve their water rights against prescription by water districts by continuing to produce water for beneficial use. (*City of Santa Maria v. Adam* (2012) 211 Cal.App.4th 266, 279; *Hi-Desert County Water Dist. v. Blue Skies Country Club, Inc.* (1994) 23 Cal.App.4th 1723, 1727)

The Core Team will develop a GSP that meets the requirements of SGMA (Advisory Committee Bylaws, § D)

The purpose of the AC is to provide input to aid in the development of the planning and policy recommendations contained in the GSP. (Advisory Committee Bylaws, § B)

The AC shall ... advise in the formation of the planning an policy recommendations to be included in the GSP. This may include ... providing comments on materials and reports prepared (Advisory Committee Bylaws, Article 3(2))

EXAMPLES OF CORE TEAM POLICIES AND STRATEGIES IMPLICATING WATER RIGHTS, INCLUDING SUGGESTED REVISIONS [with explanation and suggested revisions]

Working Risk Management Brief Version 1.4 (distributed at July 27, 2017 Advisory Committee Meeting)

B.11. The District has been party to 3+ years of negotiations with most all the major pumpers in the Valley under the auspices of DWR, where each sector (agricultural, recreational, and municipal) have agreed to proportionally reduce their annual withdrawals from the basin by 70% to reach sustainable yield by no later than 2040,

[Explanation/Revisions—The overlying owners' offer to proportionally reduce their water use is necessarily based on an agreeable Agricultural Demand Purchase Program and a Landowner Pumping Rights Transfer Policy. Without such a program and policy

RE: Omission of [Agricultural Credit Program] from Core Team Work Products and Effect on Water Rights
September 21, 2017
Page 3

in place, there is no "agreement" to proportionately reduce production by 70%. Under California law, there is an express legal priority for overlying water rights that may prevent an across-the-board reduction in production without the overlying landowners' agreement. (City of Barstow v. Adelanto (2000) 23 Cal.4th 1224, 1241) Therefore, without a purchase program and transfer policy, the above citation would need to take out language about an "agreement" or state that the "agreement" is contingent upon the development of an Agricultural Demand Purchase Program to compensate the agricultural and other landowners for their proportionate reductions and of a Landowner Pumping Rights Transfer Policy.]

B.13. To date, located in an arid desert climate, Borrego's economy has been made possible-by the overuse of groundwater supplies that have been depleted far faster than those supplies can be replenished.

[Explanation/Revisions--Borrego's agriculture-based economy was established <u>prior to</u> any overuse of groundwater supplies. Therefore, the words "made possible by" should be replaced by the words "expanded by".

There is very little well level data, and the available information is not sufficient to evaluate the extent to which well levels recover and supplies are replenished or not replenished during wet years to support claims of depletion. Some wells do show an increase in water levels, and we are unaware of anyone being unable to pump groundwater. Therefore, it would be more accurate to replace "depleted" and "faster than replenished" and state instead that groundwater has been "used at a rate faster than average annual supply" to properly reflect the mass-balancing findings in the 2015 USGS report.]

B.14. Given the certainty of anthropogenic climate disruption (ACD: climate change), there is a high probability that future weather in the Valley will have more days of excessive heat in the summer months and more days of below freezing in the winter months. Thus, it is potentially likely that open system agriculture in the Valley may no longer be profitable in the future, especially as under SGMA GW will no longer be "free" (although, economically speaking, it never was "free").

[Explanation/Revisions--The phrase "certainty of" in the first sentence should be deleted inasmuch as there is always a level of uncertainty in future projections and in interpretation thereof.

The second sentence is an incorrect statement of the proposed groundwater reduction program and should be deleted. The proposed program would compensate agricultural producers to proportionally reduce their groundwater production, not impose SGMA fees so high as to make agricultural use unprofitable. Without an agreeable Agricultural Demand Purchase Program and a Landowner Pumping Rights Transfer Policy, under

RE: Omission of [Agricultural Credit Program] from Core Team Work Products and Effect on Water Rights
September 21, 2017
Page 4

California law, overlying landowners have priority rights to the basin's safe yield and their overlying right should result in lower assessments to the overlying landowner sector than to the lower priority water rights held by the water district. (*City of Barstow v. Adelanto* (2000) 23 Cal.4th 1224, 1241; *Allen v. California Water & Tel. Co.* (1946) 29 Cal.2d 466, 483–484) Likewise, corrections are needed to the similar statements made in the Working Risk Management Brief, item #B.14 and C.1, and SGMA Questions and Answers #8 and 36]

E. Important Issues

- 1. Proportional reductions assumption. Under present assumption, each sector must each reduce their usage by 70% to meet SGMA objectives. Is this defensible?
- 2. Water rights. Does a 'water right' presume that groundwater is free? That is, groundwater itself is always at no cost. Does this understanding hold water?
- 3. Does the GSP for the Borrego Springs Subbasin of the Borrego Valley Groundwater basin need to worry about senior water rights holders refusing to limit their extractions?
- 4. Senior Water Rights. The courts have developed a system for allocating groundwater supplies among users when water is scarce. If one party feels that the new groundwater sustainability plans do not appropriately respect the priority system recognized by the courts, that party could bring suit. Given the water rights of pumpers in the basin, is this likely to occur?
- 6. Shares of Advanced Treatment costs. If agricultural pumping causes the District to invest in advanced treatment for its municipal customers, would the farmers, who pump 70% of annual withdrawals in a critically overdraft basin, would these farmers be responsible to pay 70% of the cost for advanced treatment?

[Responses--The responses to the questions posed are that, without an agreeable Agricultural Demand Purchase Program and a Landowner Pumping Rights Transfer Policy, water rights do matter, thus: E1--No, E2—Yes, E3—Yes, E4—Yes. The response to the question in E6 whether agricultural landowners should pay for the District's treatment costs based on agricultural production is No, because agricultural production is not rationally related to the District's advanced treatment costs.]

RE: Omission of [Agricultural Credit Program] from Core Team Work Products and Effect on Water Rights
September 21, 2017
Page 5

Core Team's Summary of SGMA Questions and Answers

- 4. The overdraft was first unequivocally identified by the US Geological Survey (USGS) study for the County of San Diego in 1982 and irrefutably-reaffirmed in 2015 by a subsequent USGS study (see https://pubs.er.usgs.gov/publication/sir20155150). In Borrego Valley
- 26. The District commissioned over three million dollars in studies for which the ratepayers contributed approximately one million dollars to determine unequivocally: (a) that an overdraft exists; (b) its magnitude; and (c) that no other sources of water other than from the Borrego Basin are economically available to the Valley in the near future. The most recent 2015 USGS study is available for review at: https://pubs.er.usgs.gov/publication/sir20155150).

[Explanation/Revisions—The words "unequivocally" and "irrefutably" should be deleted from the #4 citation. The following two sentences should be inserted after the first sentence in the #4 citation: "The same study concluded that there was an enormous supply of groundwater that could last for 500 years at the then present rate of groundwater production. A 1983 study by the California Department of Water Resources ("DWR") that built on the USGS study likewise concluded that the overdraft was not critical. DWR first designated the basin as critically overdrafted in 2015."

The following sentence should be inserted at the end of the #26 citation: "It should be noted, however, that well level data is scarce and that the mass balancing data is based on mostly estimates of consumption." The above revisions are needed to correctly summarize the 1982 and 2015 USGS reports and the 2015 designation of critical overdraft.

Regarding economically available water, overlying landowners have continued to produce groundwater for beneficial use, thereby preserving their overlying water rights against prescription by the water district.]

18. In recognition of the need to hear from the community when designing a plan, the District and County created a Core Team to work directly with community members to learn, discuss, digest and determine the most efficient and economically sustainable solutions to the overdraft.

[Explanation/Revisions—The words "and legally" should be added the words "efficient" and "economically" to describe sustainable solutions. Legal water rights must be taken into account under the SGMA. Without an agreeable Agricultural Demand Purchase Program and a Landowner Pumping Rights Credit Transfer Policy to compensate overlying landowners for their proportionate reductions, sustainable groundwater management must take into account priority legal water rights. (Water Code, §§ 10720.1(b); 10720.5(a), (b))]

RE: Omission of [Agricultural Credit Program] from Core Team Work Products and Effect on Water Rights
September 21, 2017
Page 6

34. Why does the Borrego Water Coalition (Coalition) recommend a 70% reduction of withdrawals across all sectors - agriculture, recreation (golf courses & resorts) and municipal uses (see

http://www.borregowd.org/uploads/Borrego_Water_Coalition_Policy_Recommendations_FINA L_11-06-14.pdf)?

Seventy percent (70%) reductions is just an estimate of water reductions required by all sectors. This 70% estimate is required by the most recent 2015 USGS study. Such a shared reduction across all sectors of use is supported by California Water Law and is potentially a likely outcome if an adjudication of the basin would occur. Actual percentage reductions will not be fully defined until a benchmark for current basin withdrawals is developed and water budget for the basin verified when all wells in the basin are metered and monitored; a recommendation by the Borrego Water Coalition and allowable under SGMA.

Some believe that municipal water use takes precedence over any other water use. That is, municipal water use should not be required to reduce withdrawals from the basin under SGMA. This assertion is not true under California Water Law, SGMA or any court ruling to date under California water law.

[Explanation/Revisions—The overlying landowners' offer to proportionately reduce their groundwater use is based on including an agreeable Agricultural Demand Purchase Program to compensate the agricultural landowners for their proportionate reductions and a Landowner Pumping Rights Transfer Policy. Without such a program and policy, an across-the-board reduction of groundwater production by all sectors is contrary to California water law, except in the rare situation where an entire city's economy is built entirely on junior appropriations in excess of overdraft, which situation does not exist here. (*City of Barstow v. Adelanto* (2000) 23 Cal.4th 1224, 1246-1248)

Therefore, the above first portion of #34 should include the following phrase at the end of the paragraph: "together with an Agricultural Demand Purchase Program to compensate the agricultural landowners for their proportionate reductions and a Landowner Pumping Rights Transfer Policy."

Additionally, requiring reduction in production based solely on mass balancing may be more than is required to achieve sustainable yield under SGMA, because groundwater management for sustainable yield does not always require exact mass balancing and must take into account other factors, including groundwater levels. (California Water Code, §§ 10721(x), 10727.2) The 1982 USGS report estimated that the significant amount of groundwater in storage could sustain the local community for 500 years. Thus, the first sentence of the above second portion of #34 should include the following phrase: "based on a 'mass balancing approach' where withdrawals are limited to the natural replenishment of the basin." Also, the second sentence of that portion should be

RE: Omission of [Agricultural Credit Program] from Core Team Work Products and Effect on Water Rights
September 21, 2017
Page 7

removed. California water law does not require proportionate reduction of overlying and appropriative rights except in the rarest of circumstances, and thus such a result is not legally required.

In the third portion of #34 cited above, the following phrase needs to be added on at the end: "Rather, California Water Law establishes a priority for overlying agricultural and domestic water production." That language clarifies that, not only is there not a legal priority for municipal use, but also there is an express legal priority under California law for overlying landowner well water rights. (*City of Barstow v. Adelanto* (2000) 23 Cal.4th 1224, 1241)

Likewise, corrections are needed to similar statements made in the SGMA Questions and Answers #2, and Working Risk Management Brief, item #B.9.]

Benchmarking Historical Groundwater Production

The Borrego Water Coalition recommended a baseline be established based on either documented metered usage or on estimated average annual usage for the 10-year period 2004-2014 that fairly establishes historical production at full operation (BWC 2014)

[Explanation/Revisions—The overlying landowners' offer to establish a baseline based on average annual usage for the 10-year period assumed there would be an agreeable Agricultural Demand Purchase Program to compensate the agricultural landowners for their proportionate reductions and a Landowner Pumping Rights Transfer Policy as part of production reduction and other sustainability measures. In the absence of such a program and policy, overlying water rights would need to be based on the "maximum" or "highest" year of production during the period of overdraft, not the "average" production during the base period. (See e.g., Mojave River Basin Adjudication, Beaumont Basin Adjudication, Santa Maria Basin Adjudication) The California Supreme Court has upheld use of the highest year of production. (*Hi-Desert County Water Dist. V. Blue Skies Country Club, Inc.* (1994) 23 Cal.App.4th 1723, 1727.) To use an average over a period of years would improperly alter the overlying groundwater rights (which are based on maximum beneficial production) if there is no agreeable purchase program and transfer policy.]

Borrego Water Coalition Policies

Without an agreeable Agricultural Demand Purchase Program to compensate the agricultural landowners for their proportionate reductions and a Landowner Pumping Rights Transfer Policy, the Borrego Water Coalition Policies would need to be changed to acknowledge overlying landowners' water rights.

RE: Omission of [Agricultural Credit Program] from Core Team Work Products and Effect on Water Rights
September 21, 2017
Page 8

(2) The Coalition recommends a Baseline be established for each Owner based on either documented metered usage or on estimated average annual usage for the 10-year period 2004-2014 that fairly establishes historical Production at full operation;

[Explanation/Revisions—As discussed above, without an agreeable Agricultural Demand Purchase Program to compensate the agricultural landowners for their proportionate reductions and a Landowner Pumping Rights Transfer Policy, overlying water rights will need to be based on the "maximum" or "highest" year of production, not on "average" production during the base period.]

(3) The Coalition recommends that the GSP include an annual Non-Compliance Fee based on an Owner's Production (acre-feet of withdrawals) exceeding the interim targets and thereafter exceeding the proportionate permanent reductions in annual withdrawals required to achieve the Physical Solution. The purpose of the Non-Compliance fee is primarily to deter Owners from exceeding their annual extraction limits and secondarily to support implementation of the GSP6. Accordingly, the Non-Compliance Fee should be set at a level consistent with a fee for the unauthorized diversion of water;

[Explanation/Revisions—According to the 2015 USGS Report, the basin's natural recharge is estimated to be 5,700 afy, and overlying production is estimated to be 15,000 afy. Because of the priority of overlying rights, in the absence of an Agricultural Demand Purchase Program to compensate the agricultural landowners for their proportionate reductions and a Landowner Pumping Rights Transfer Policy, there should be no assessment of overlying production that is within the safe yield. (*Allen v. California Water & Tel. Co.* (1946) 29 Cal.2d 466, 483–484) Thus, in the absence of a program and policy, the Non-Compliance Fee would be based on an Owner's Production "in excess of its share of sustainable yield."]

Date August 10, 2017

To: Core Team, Borrego GSA

From: Diane Johnson, BWD Ratepayer, member of the Stewardship Council

Re: Question on assumption underlying proportional reductions of water usage

I have recently been attending meetings of the Advisory Council to the GSA, and I have become concerned about something.

There seems to be an assumption, never explicitly stated at the public meetings as far as I have heard, that proportional reductions in water usage will follow historical usage patterns. So for example, by 2040, agricultural users would reduce their usage by 70% of the baseline 70% (benchmark period 2005-2015 I believe) that they used historically.

Similarly, municipal users would get only 30% of the historical 10% used by them. So whereas now municipal use – i.e., use by virtually all residents -- is about 2000 acre feet/year, it would have to be reduced to only 600 AFY by 2040. Even eliminating all landscaping water use would get us only to 1000 AFY, according to an estimate I have read. This seems like a death sentence to the village of Borrego Springs.

But the assumption that reductions will be baselined on historical usage patterns has not been made at all clear in the meetings I've attended, either in discussion or in written materials. The only place I can find it in writing is in a terse sentence in the document entitled "Borrego Water Coalition Groundwater Management Policy Recommendations" (http://www.borregospringschamber.com/bwc/documents/2014/BWC%20Policy%20Recs%20FINAL%2011-06-14.pdf). That states: "(2) The Coalition recommends a Baseline be established for each Owner based on either documented metered usage or on estimated average annual usage for the 10-year period 2004-2014 that fairly establishes historical Production at full operation."

As you are of course aware, the Borrego Water Coalition (BWC) is "a thought leadership forum whose responsibility is advisory," as the MOU creating it states (http://www.borregospringschamber.com/bwc/documents/2013/BWCMOUFinal-Revision_12-05-13.pdf). Representatives to the BWC were chosen pragmatically, not democratically by the public. See Appendix A of the MOU: "The 'weight' of representation of the BWC was not appropriated by any quantitative measure (i.e. amount of water usage, population of stakeholder constituency, degree of economic impact to the Valley, etc.), but was developed by a process of aggregating those individuals that were identified as being key to the process that were willing to devote their time, resources, and expertise to this effort." Finally, any BWC deliberations were kept very private as a matter of policy.

This seems to be contrary to the intent of SGMA language. The primary example of SGMA's intent in this manner is the "Stakeholder Engagement Plan," prepared by County Planning and Development Services, March 2017

(http://www.sandiegocounty.gov/content/dam/sdc/pds/SGMA/StakeholderEngagement.pdf),

which states: "The purpose of the outreach activities described in this Engagement Plan is to provide individual stakeholders and stakeholder organizations, and other interested parties an opportunity to be involved in the development and evaluation of the GSP for the Borrego Basin."

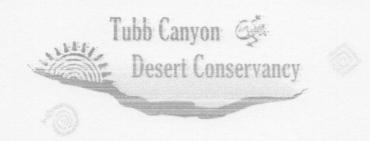
So the only reference in writing to the notion of using historical percentage of usage as the baseline for future water allocations is in a recommendation from an advisory body, not open to all members of the public or democratically chosen, whose discussions and direction were known only vaguely by the community until the BWC released its policy recommendations. And this basis is not mentioned in GSP AC meetings. This does not seem to me to constitute a very good legal case for accepting this enormously important notion.

So I ask you please for a clear, written statement as to why -- under what legal principles -- you are assuming that proportional reductions occur based on prior usage? Please put your thinking in writing so that it can be added to the Agenda Packet for thorough-going, public discussion at the next meeting of the Advisory Committee in September.

Sincerely yours,

Diane Johnson

depjohnson@aol.com 203-644-5583



August 29, 2017

Jim Bennett Leanne Crow Core Team, San Diego County Borrego Valley GSP

Dear Mr. Bennett and Ms. Crow,

I have noticed the current groundwater sustainability planning process is using what I understand to be the arbitrary date, legislated in SGMA, of 2040 as the deadline by which the Borrego Basin must achieve sustainability. What is the analytical basis for using the 2040 date <u>for the Borrego</u> <u>Basin</u> to reach sustainable yield?

Given the risk of water quality degradation as the water table continues to decline in the Borrego Basin and the attendant economic costs of treating degraded water, I am concerned about the use of 2040 as the deadline for achieving sustainable yield in the Borrego Basin, and I am therefore requesting the analytical basis for using the 2040 date.

If there is data to support the use of the 2040 date for the Borrego Basin, I would like to see it. On the other hand, if there is no objective, analytical basis for using 2040 as the date for achieving sustainability in the Borrego Basin, I am concerned we could be on a path to an undesirable outcome, i.e. that we reach sustainable yield by 2040, but that the cost of treating degraded groundwater is so great that Borrego Springs dies an economic death.

Additionally, if there is no analytical basis for the use of the 2040 date, what actions are being taken to discern an appropriate date for the Borrego Basin to achieve sustainability such that the undesirable outcome described above can be avoided.

I look forward to hearing from you at your earliest convenience.

Sincerely,

J. David Garmon, M.D.

President, TCDC

Tubb Canyon Desert Conservancy

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