

MEETING SUMMARY – OCTOBER 8, 2014

BORREGO WATER COALITION

Wednesday, October 8, 2014, 9 am to 3 pm

1. Welcome and Opening Remarks

A member opened the meeting with welcome and introductions. Dorian Fougères, Facilitator, Center for Collaborative Policy (CCP), California State University, Sacramento, thanked the various work groups for their contributions to documents during the past month. He then reviewed the agenda, ground rules, companion documents, and the following meeting goals:

1. Update the Coalition on the latest letters and conversations with the County.
2. Incorporate feedback from caucuses and finalize essential policy recommendations.
3. Update the Coalition on any newly available technical analyses and professional advice.
4. Review revised finance concept memo.
5. Update the Coalition on the solicitation of legal counsel and shared payment structure.

ACTION ITEM: Facilitator to check with County regarding when he is available for monthly meetings and survey the Coalition for a new regular future meeting date.

2. Discussion of Roadmap Beyond November 2014

Strategic Considerations

- The Department of Water Resources (DWR) requires that a Groundwater Management Plan (GWMP) be completed by January 1, 2015.
- DWR also requires that an Integrated Regional Water Management Plan (IRWMP) be completed before the Basin is eligible for any funding from the remaining \$15 million in IRWM Implementation Round III bond money that will be allocated in 2015-2016.
- The new legislation, as mandated by the State, now requires a Groundwater Sustainability Plan (GSP) be completed by 2017.
- There are multiple strategic processes to consider for meeting these three requirements (GWMP, IRWMP and GSP), including: regulatory, legal, engineering/planning, economic, and financial.
- There is a possible cost of up to \$1.5 million for drafting and processing the paperwork associated with these required plans.
- DWR requires the formation or adoption of a Groundwater Sustainability Agency (GSA). If DWR's groundwater basin delineation returns to how it was laid out in the 2003 update of Bulletin 118, the District and/or the County would be the entities eligible to be the GSA.

Additional discussion by members followed:

- San Diego County has four basins to address, including Borrego. All basins are mandated to have a GWMP in place, and these plans require reductions. If Borrego benefits from the extra water identified in the GSP, then the cost of maintaining and putting the GSP into effect transfers to the beneficiary. The nuances of how these processes will work are still being determined, the County has not completed all of their analyses yet.
- As a point of clarification, IRWM is an elective process to become eligible for State grant funding, and it is the only means the Coalition is aware of for accessing State financial support. State law requires a GWMP, and it also has to be complete to be eligible for IRWM funding. The timing of these two are concurrent, though their requirements are different.
 - **ACTION ITEM: Member** to draft 4-5 questions to ask DWR regarding IRWM grant funding, circulate to Coalition for input, then submit to DWR.
- There are currently no funds being allocated through the new legislation to cover any portion of costs associated with developing a GSP.
 - Tim Ross, DWR, commented that DWR is trying to figure out and put in to place the organization needed to administer this new legislation. Dr. Ross's perception of the new legislation is that the GSP is the new GWMP; they may not actually be two separate requirements.
- Simple measurements taken now, such as monitoring water flow and well levels, can be incorporated into the baseline measurements that would eventually inform the GSP.
- The District had been led to believe that under the new legislation a California Environmental Quality Act (CEQA) process was not required for a GSP. However, in the process of actually following farmland, CEQA is necessary.

Strategic next steps:

- Develop accurate cost estimates for all of the components related to the planning processes.
- Determine how the Coalition can best stay engaged with County of San Diego (Jim Bennett as liaison) so that new information is shared promptly and with accuracy.
- Determine who is the appropriate DWR liaison to stay in regular contact with the Coalition.
- Conduct a detailed review of the new GSP legislation.

Strategic Roadmap and Signatory Opportunities for Implementing Policy

- The Signatory Opportunities document was developed based on the Strategic Roadmap.
- This is key to the development of a reduction plan that DWR finds acceptable.
- The decision to support a proposed financing plan will also be imperative.
- Because the basin has been identified as "medium priority," the plan must be submitted to DWR by a specified date. Public support will be critical to the plan's acceptance. The District would hold a comment period for this purpose.

Mr. Fougères noted the Coalition would seek consensus on the Policy Document at the November 6th meeting. The group then discussed how to best transmit the document to the District.

- After discussion, members agreed to provide the November 6 consensus policy recommendations to the District, at which time it would necessarily become a public document.
- Upon submission, the District will request a public comment period on the document.

3. Working with the County and the State

- A member submitted the letter reflecting the passage of state legislation to the County on behalf of the Coalition.
- **ACTION ITEM: Facilitator** to circulate final Mark Wardlaw letter to Coalition.
- The letter to the County Department of Environmental Health regarding the need for coordinated action is still in progress.
- Regarding groundwater basin boundaries: The District is unsure of how to petition DWR for boundary changes until the County provides feedback.

4. Essential Policy Recommendations

Caucus Comments on Policy Recommendations

Responses to Community Caucus Questions/Comments:

- **Question 3.2:** Regarding whether the recommendations would meet legislative requirements, it appears the Policy Document does follow what legislation requirements have been identified. Some requirements have not yet been vetted and formalized.
- **3.3:** Regarding the value of earlier more detailed work, this will not be wasted. It will be compiled and used as supporting information when engaging consultants.
- **3.4:** Regarding the future of the Coalition, it is undecided at this point. Guidance from legal counsel on possible governance structures is needed.
- **3.5 – 3.7:** These would be discussed shortly (see below).
- **3.8:** These revisions were not intended to postpone conversation. Rather the “scaling back” of the Policy Document was an informed choice by the Coalition at the September meeting. The Roadmaps are verification the Coalition is trying to find answers to the difficult questions.

Review of Revised Policy Document

Throughout the document, delete reference to GWMP, which per the recent legislation will become moot after January 1, 2015.

Policy #1

- There was discussion regarding the implementation date currently defined as “No Later than January 1, 2022”
 - After discussion, the group agreed to revise the date to January 31, 2020.
- Concerns were raised about not receiving credit for the reductions that are made in the first three years of implementation.
 - **ACTION ITEM: Member** to recirculate the Bill Mills Report to the Coalition as a reference piece.
 - **ACTION ITEM: Members** to reconcile baseline numbers in Policy Document.

Policy #2

- A language modification was suggested: “... a baseline be established for each producer, based on a verifiable metered usage, or a BWD estimated usage...”

Policy #3

- The conservation fee is meant as a penalty for non-compliance. Rather than using the term “Conservation Fee,” it was suggested to revise to “Non-Compliance Fee”
- There is a legal mandate for an enforcement mechanism. It is believed that money collected from a fee system must be spent on the GSP.
- This fee period should be extended indefinitely beyond the water reduction timeline.
- References to “Owner” should be made consistent throughout the other policy recommendations (replace all references of “producer” with “owner”)
- It was suggested to leave the fee as assigned to the land owner.

Policy #4

- It is assumed that administration fees cover simply administration and maintenance of the actual plan, and would be nominal. Implementation costs are addressed in policy recommendation #5.

Policy #5

- It was suggested to revise language similar to “the Coalition recommends and supports the development of separate funding mechanisms, both public and private, for the purpose of acquiring and allowing agricultural land as a way to expedite bringing the basin into balance.”

Policy #6

- Suggested language addition at the end of the recommendation: “in support of sustainability”.

Policy #7

- This relates to getting credits from agriculture and converting to residential.

Policy #8

- The District intends to meter all wells regardless of size.

- The District recently conducted usage estimates of approximately 120 wells.

Policy #9

- Owners will likely only have to allow for collection of water quality data, not pay for this data collection.

Policy #10

- This could be the appropriate section to include language regarding a periodic reevaluation of the plan.

ACTION ITEM: Policy Recommendations Work Group to work with facilitator to make language revisions to Policy Document, which in turn will be provided to caucuses for feedback and individual responses about where they are on the scale of consensus.

6. Plan Financing Strategies

Members of the Finance Group made the following comments:

- The first choice for financing is a public bond. The second and third most feasible options include private purchase and donations to the Anza Borrego Foundation (ABF).
- The memo does not attempt to quantify what a bond allocation may be. They are assumptions only at this point.

Several members commented:

- There are approximately 3,000 vacant lots in Borrego that will also be requiring water credits. The Coalition may want to consider including another 1,500 in its projections.
 - **ACTION ITEM: Member** to circulate historical housing growth presentation from the County.
- Regarding fallowing, it cannot be assumed that water will be shut off immediately and that savings are immediately recorded. The water savings is gradual, and water is required for the act of fallowing itself (controlling dust measures, etc.).
- Reducing total agricultural withdrawals without undermining economic farming units would require some consolidation. This should be noted.

ACTION ITEM: Member to revise Finance Memo.

There were no updates regarding the County Neighborhood Reinvestment Fund.

7. Update on Legal Counsel Contracting

Selection of Legal Counsel

- **AGREEMENT:** Members agreed that they could live with Rutan & Tucker to represent the Coalition.
- **ACTION ITEM:** **Member** to contact Rutan & Tucker and let them know they were selected.
- **ACTION ITEM:** **Member** to contact with Best, Best and Kreiger, thank them for their materials, and inform them they were not selected.

Funding Legal Counsel

Next steps include securing commitments to fund legal support.

- **ACTION ITEM:** **Member** to talk with Chamber about possibly serving as the contracting vehicle for legal counsel.
- **ACTION ITEM:** **Member** to look into the possibility of the Foundation serving as contracting vehicle for legal counsel (as a backup).

Legal Counsel Scope of Work

- Members discussed minor revisions to the draft scope to be consistent with the recent legislation.
- **ACTION ITEM:** **Member** to make discussed revisions to Legal Counsel Scope of Work.
- **AGREEMENT:** Members agreed that they could live with the Legal Counsel Scope of Work after incorporation of discussed revisions.

8. Standing Items and General Business

Meeting Summary

- **ACTION ITEM:** **Facilitator** to finalize and post September meeting summary.

Land Appraisal

- There are three approaches for conducting appraisals: 1) cost approach 2) income approach 3) sales analysis approach of like properties.
- Regardless of whether a variety of different types of properties were appraised, the income approach could result in dramatically different estimates. Averaging may not provide an accurate depiction of the range of possible values.
- Real appraisals would be if individual land owners wanted to assess the potential for land sales.

Future Facilitation Support

The Coalition expressed interest in extending CCP's contract through December, if funding is available.

ACTION ITEM: Member to confirm room reservation for November 6th Coalition meeting.

9. Review of Action Items & Next Steps

Meagan Wylie, CCP Facilitator, reviewed the action items from the day's meeting.

10. Attendance

Borrego Water District	Lyle Brecht, Board Member Beth Hart, Board Member Jerry Rolwing, General Manager
Agriculture	Dennis Jensen, Oasis Ranch Jim Seley, Seley Ranch Mike Seley, Seley Ranch (alternate) Duane Young, Cocopah Nurseries
Recreation and Resorts	Bill Berkley, Ram Hill Golf Course Jim Moxham, Borrego Springs Resort (alternate) Jim Wermers, De Anza Country Club Casey Brown, La Casa del Zorro Resort and Spa
Watershed & Desert Ecosystem	Kathy Dice, Anza-Borrego State Park Ralph Singer, Anza Borrego Foundation
Commerce & Tourism	Dan Wright, Chamber of Commerce (and The Springs at Borrego and Road Runner)
School District and Community	Martha Deichler, Borrego Springs Unified School District
DWR Southern Region Office	Tim Ross, Senior Engineering Geologist
University of California, Irvine	Emily Brooks, Doctoral Student
Center for Collaborative Policy, CSUS	Dorian Fougères, Senior Mediator Meagan Wylie, Associate Facilitator