

MEETING SUMMARY – JUNE 5, 2014

BORREGO WATER COALITION

Thursday, June 5, 2014, 9 am to 3 pm

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1. Action Items

1. **Facilitator** to schedule July check-in call and September BWC meeting date
2. **Facilitator** to circulate Document Sharing Protocol document with all members
3. **Facilitator** to share relevant documents of related Napa Voluntary Monitoring Plan with BWC
4. **DWR** to share water code document with BWC, highlighting section where confidentiality is discussed
5. **Members** to revise main policy recommendations document
6. **Members** to draft letter to Bill Horn including air quality concern and credit paragraph. Draft letter to be shared with the Coordinating Committee
7. **Members** to draft credits letter to the County. From this letter, identify appropriate section for inclusion
8. **Member** to provide revised estimates of land administrative costs
9. **Economics Consultant** to provide **Facilitator** with economics spreadsheet for distribution to all members

10. **Members** to make revisions to financing plan
11. **Members** to formally consider options for hiring an attorney, including: criteria for acceptable attorney selection, needed types of legal expertise, method of payment for services, questions BWC would like legal counsel on
12. **Assistant Facilitator** to make revisions to public powerpoint and circulate to Coordinating Committee by morning of 6/6
13. **Member** to finalize powerpoint and send back to **Assistant Facilitator** for sharing with full Coalition
14. **Member** to post final powerpoint presentation (in pdf form) and economist's two final economics memos to website ASAP, by Monday 6/9
15. **Member** to provide printed copies of final Public Meeting materials

2. Welcome and Introductions

A member opened the meeting with welcome and introductions. Dorian Fougères, Facilitator, Center for Collaborative Policy, reviewed the agenda, ground rules, companion documents, and meeting goals:

Mr. Fougères reminded the Coalition of the upcoming public workshop on June 12, encouraging all members to attend if available.

All action items from the previous meeting were completed.

3. Role of San Diego County

- Jim Bennett, County of San Diego, was present for this discussion and asked members to explain how they view the County's relationship with the Coalition and District and identify any concerns:
 - BWC is trying to bring together diverse interests to bring the aquifer back into balance.
 - The Coalition urges the County to work with the District.
 - Water quality monitoring is something the District is trying to pursue.
 - BWC needs all the help possible from the County to offset the financial efforts required to achieve this goal (credits, financial support).
 - The authority the County has is currently the only authority over any managed basin. Occasionally the County's decisions impact the aquifer in ways that are contrary to the BWC's aims.
 - Further, County should exempt replacement wells from the permitting process if there is a clear, urgent need for a replacement well (e.g. well collapses).
 - BWC requested one point of contact at the County to interact with.
 - A question was asked of Mr. Bennett regarding the fallowing of citrus groves and complications with the Memoranda of Agreement, which disallows retaining of water credits. There is a need to protect the rights for farmers who want to retain their water credits but fallow their land. Is there a remedy to this?
 - The County will look further into this situation and continue discussion.
 - Coalition is interested to know how well informed the County is to currently proposed legislation.
- Biggest obstacle is determining what legal grounds exist for the County to move forward with these requests.

- Mr. Bennett encouraged the BWC to continue making requests, further stating that while the are challenging requests, the County is willing to work with them.
- BWC will prepare a letter to County Supervisor Bill Horn that reviews current ordinances and makes suggestions on how to align new County ordinances with the group’s water reduction plan. The letter will serve as an introductory notice that the Coalition is currently working on a unified plan proposed for adoption.

4. Work Plan Adjustment Through November

A member expressed her thanks for the continued efforts of all BWC members. She then informed the group that Center for Collaborative Policy’s (CCP) contract has been extended through November.

All members agreed that a check-in call in July would be beneficial to keep communication open over summer.

ACTION ITEM: **Facilitator** to schedule July check-in call and September BWC meeting date.

A query was made to if there is a work group looking directly at the mechanics of water credits:

- Several members would like to generate a letter listing items that should be improved on in regard to the current water credits policy to submit to the County.
 - A draft of this letter should be shared with the Coordinating Committee before submission.

ACTION ITEM: **Members** to draft letter to Supervisor Horn including air quality concern and credit paragraph. Draft letter to be shared with the Coordinating Committee.

ACTION ITEM: **Members** to draft credits letter to the County. From this letter, identify appropriate section for inclusion.

5. Protocol for Document Sharing Going Forward

A document sharing protocol has been developed to help maintain the Coalition’s confidentially while still allowing members to share select draft documents as needed.

ACTION ITEM: **Facilitator** to circulate Document Sharing Protocol document with all members

6. Review Economic Analysis Findings

Dr. Roger Mann, economics consultant, was present via conference phone to answer any questions and/or provide clarification on his recent economics finding memo.

- In reference to Table 2: Economic Benefit per acre-foot (AF) of Overdraft Reduction: When currently an AF of water costs \$X, how is a financial benefit achieved from leaving water in the aquifer? Further clarification on the numbers generated in Table 2 requested:
 - An important benefit of not consuming a finite resource now is that it remains available for use later.

- This saved water is the accumulated volume of water that is not pumped because overdraft is eliminated for 50 years.
- It is assumed that the water saved by eliminating overdraft would be available for residential development in the future, thereby increasing future water sales.
- The cost of groundwater table takes into consideration degradation, treatment, energy required for pumping, well maintenance and well replacement costs (if re-drilling required).
- The retail cost for residential water takes into account well replacements, personnel, overhead and compliance.

ACTION ITEM: **Economics Consultant** to provide **Facilitator** with economics spreadsheet for distribution to all members.

7. Water Reduction Plan

The draft policy recommendations document (document) is only a framework, or “discussion document,” as reflected in the powerpoint presentation. The BWC needs to continue dialogue on key components of the document and next steps for continued development.

a. Targets

- From a policy standpoint, how should this section be approached? Currently the emphasis is on the individual producer.
 - Suggestion for a three tier approach:
 - 1) Objective for the entire basin
 - 2) Objectives by sector
 - 3) Objectives for individual users
- There needs to be a financial mechanism that allows agriculture producers to consider options for making comparable financial gains, so they are encouraged to reduce water use.
- One major concern was raised about accountability and how to ensure that it is not disproportionate (e.g. 80% of folks reducing their water use, and 20% not).
- Suggestion to highlight the point that there is not going to be a straight-line, consistent reduction in water use every five years. In document, should call out that projects are a best estimate, and a gauge which to point to every five years.
- Re: Appendix 11: Reduction plan cannot be contingent. Rather it must be directive, and work together with all other measures as a package.
- Additional financial modeling needs to be done, to make sure proposed reductions are feasible.
- Generating residential development could be extremely useful.
- Re: Appendix 9 Table: There were concerns over land acquisition annual costs being inaccurate.
 - **ACTION ITEM:** **Member** to provide revised estimates of land administrative costs.

- Suggestion to add greater detail about future funding opportunities (e.g. bonds, grants, Anza-Borrego Foundation donors, farm-to-farm water sales, conversion of agriculture land to residential, land donation, etc.)

b. Groundwater Metering

- As the State is moving in this direction, this is a good opportunity to work voluntarily with metering to drive solutions. It also promotes good public relations with the community.
- The idea of putting meters on wells is not really controversial. What becomes controversial is with whom that information is shared.
 - The Facilitator shared a similar case he worked on involving a voluntary monitoring plan in Napa County. The breakthrough in this case was getting very specific on what data gets shared with what institutions, and for what discrete purposes. Functionally, the one institution that needs to see this is the watermaster.
 - **ACTION ITEM: Mr. Fougères** to share relevant documents of related Napa Voluntary Monitoring Plan with BWC.
- Language on confidentiality needs to get included in this document.
 - Dr. Tim Ross, DWR, noted that confidentiality is specifically written into the California Water Code.
 - **ACTION ITEM: Dr. Ross** to share Water Code document with BWC, highlighting section where confidentiality is discussed.
- An annual summation of water use could be provided for the public viewing, and water use could be reported by sectors rather than individual producers.
- The BWC needs to develop concise language on for what purpose meters should be installed.
- Some concern was raised over the term “new well.” Suggest revising this to “additional/new water use.” The intent was to differentiate between replacement wells for existing water use, versus new wells built for increasing overall water use.

c. Penalties for Non-Performance

- The working group purposefully did not include numbers for fees here at this time, stating that a fee cannot be arbitrary and additional thought must be given to the fee development process.
- The working group discussed this topic with Dr. Mann in the interim between meetings. Dr. Mann agreed that a fee should not be arbitrary, while also being stringent enough so it is actually a disincentive.
- Homes that operate off of well use should also be metered.
- If meters are read manually, that could possibly use up all accumulated administrative funds. As it is currently written, meters are to be read twice a year.

ACTION ITEM: Members to revise main policy recommendations document.

8. Governance

- Is the watermaster intended to be an employee of the Borrego Water District or of the BWC?
 - A consideration is that if the Coalition determines metering information should be kept private, then the watermaster should in turn be a member of the Coalition.
- Is reference to any other entity in the document other than the BWC necessary, as technically a successor effort does not exist until the BWC creates it?
- One member began discussion on the successor effort and watermaster concepts with an attorney, who alluded to multiple different alternatives for structuring.
- For consideration: Should there be one attorney on behalf of the BWC, and another retained by the District? Or three attorneys consulted: District, Agriculture, and a third attorney for all other parties?
 - General agreement is that group would prefer to hire one attorney on behalf of the full Coalition in order to obtain neutral advice.

ACTION ITEM: Members to formally consider options for hiring an attorney, including: criteria for acceptable attorney selection, needed types of legal expertise, method of payment for services, questions for which BWC would like legal counsel.

AGREEMENT: Change term “watermaster” to “water manager”.

9. Groundwater Monitoring Sections: Water Levels and Water Quality

- Having the Park manage groundwater recharge areas eliminates that cost for BWC.
- We have a lot of data from other basins to support.
- Advanced treatment costs approximately \$30M – should find out more about this and check the assumptions.
- Not a lot of information on water quality will come from USGS. Proposed plan at this point is to get idea of water quality impressions with depth in wells.
- The quality of water needed varies by its use. Should producers be burdened with the costs of treatment?

AGREEMENT: A water quality study component should be included as a piece of the BWC administrative costs, with mention that this effort can leveraged in the future to help gather funding.

10. Final Preparation for June 12 Public Meeting

- As there is considerable work yet to be completed on the actual language of the policy document, the intent of the powerpoint is to provide the public with a framework of the document and proposed concepts therein.
- The audience at the June 12 meeting may be smaller as folks leave the valley in the summer months
 - Comments made during discussion at the June 12 meeting will be captured
 - BWC will allow for an extended comment window to August 1st to coincide with the Borrego Sun's publication of the effort
- An email announcement will be distributed with final public meeting information and materials on Friday June 6.
 - The finalized powerpoint presentation should be included as a PDF
 - The presentation will also be posted to the BWC website

ACTION ITEM: Assistant Facilitator to make revisions to public powerpoint and circulate to Coordinating Committee by morning of 6/6

ACTION ITEM: Member to finalize powerpoint and send back to Assistant Facilitator for sharing with full Coalition ASAP

ACTION ITEM: Member to post final powerpoint presentation (in PDF form) and economics consultant's two final economics memos to website ASAP, by Monday 6/9

ACTION ITEM: Member to provide printed copies of final Public Meeting materials

11. Standing Items and General Business

AGREEMENT: Members adopted May 1 meeting summary

12. Review of Action Items and Next Steps

The meeting was closed by a member who expressed her enthusiasm for how much the BWC has accomplished and the honesty of expressions throughout the day's discussion

13. 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

Bill Berkley, Ram Hill Golf Course
Casey Brown, La Casa del Zorro Resort and Spa (alternate)

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| | <p>Jim Moxham, Borrego Springs Resort (alternate) Jim Wermers, De Anza Country Club Jack McGrory, La Casa del Zorro Resort and Spa</p> |
| Watershed & Desert Ecosystem | <p>Kathy Dice, Anza-Borrego State Park Ralph Singer, Anza Borrego Foundation</p> |
| Commerce & Business | <p>Linda Haddock, Borrego Springs Chamber of Commerce</p> |
| Community & Tourism | <p>Martha Deichler, Borrego Springs Unified School District Jim Wilson, Christmas Circle Community Park</p> |
| DWR Southern Region Office | <p>Tim Ross, Senior Engineering Geologist</p> |
| County of San Diego | <p>Jim Bennett, Planning & Development Services Andreas Polis, Planning & Development Services</p> |
| RM Economics | <p>Roger Mann, Economist (by telephone)</p> |
| University of California, Irvine | <p>Emily Brooks, Doctoral Student</p> |
| Center for Collaborative Policy | <p>Dorian Fougères, Senior Mediator Meagan Wylie, Assistant Facilitator</p> |