

**Borrego Water District
MINUTES
Conservation
Standing Committee
Wednesday, July 9, 2008
9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004**

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| <u>Attendance:</u> | <u>Director:</u> | Smiley | |
| <u>Staff:</u> | | Richard Williamson, General Manager | |
| | | Jerry Rolwing, Operations Manager | |
| | | Wendy Quinn, Recording Secretary | |
| <u>Public:</u> | | Greg Stumpf | Marshal Brecht |
| | | Judy Meier, <i>Borrego Sun</i> | Rebecca Falk |
| | | Jim Engelke | Don McKelvey |
| | | Rudy Monica | Lane Sharman, BWX |
| | | Thomas Antel | Scot Fortiner, Fortiner Glad Ranch |

Director Smiley recalled that the focus of today's meeting was to be the mitigation entitlement policy, but it was not included on the Agenda. Rich Williamson said it could be discussed, because the last Committee meeting was adjourned to today. Lane Sharman distributed a memo outlining his proposal and summarized its contents. Director Smiley explained that the goal was to define the District's policy, obtain the County's endorsement and develop a pool of mitigation credits the developers can purchase, eventually eliminating the in-lieu fee. Jim Engelke asked whether the District would hold the credits, and Mr. Sharman replied that it would keep track of them, but the actual owners would be the fallowers. Mr. Sharman explained that the mitigation entitlement would be documented via an easement, contract and water credits. The District would enforce the terms, and violators would either cure the violation or purchase additional water credits. Mr. Engelke suggested assessing liquidated damages, and Mr. Williamson agreed that this could be done but may require us to be designated as a Special Acts District. Mr. Sharman pointed out that the contract would be a legally enforceable document. He explained that the terms, conditions and restrictions would be spelled out in the contract and referenced in the easement. Future owners of the property would be bound by the contract. The grantor would be the landowner who fallows, the grantees would be the District and the County, and the developer who purchases the credits would be a third party beneficiary.

Mr. Sharman proposed four methodologies for fallowing. For a change in crops, he suggested a five year wait before issuing an entitlement to see how much water is saved. Mr. Engelke suggested using a guide of average use instead, and Mr. Sharman agreed in principal and agreed to incorporate this in the next draft. Mr. Sharman went on to summarize the four proposed methodologies: farming cessation with limited water use, total cessation (capping well), crop change, and turf removal. Rudy Monica suggested that after total cessation, a landowner could purchase water from the District if desired. Discussion followed regarding the consumptive use calculation based on average evapo-transpiration rate. Director Smiley recommended obtaining figures from the County, University of California and CIMIS, and Mr. Sharman agreed to do so. After further discussion of the use of estimates versus actual

calculations, and whether there should be a waiting period after a crop change, Mr. Monica suggested awarding the entitlement immediately based on averages and then adjusting it after a waiting period based on actual calculations. Mr. Sharman concurred. Jerry Rolwing pointed out that if the District grants a rebate for turf removal, the landowner would not be given a mitigation entitlement. They get one or the other.

Mr. Sharman requested comments on his proposal prior to the next Committee meeting. Mr. Engelke recommended that the County's comments on the previous policy be included, and Mr. Rolwing suggested asking Allison Burns to merge the two documents.

Discussion followed regarding the need to work simultaneously on land use policies, water conservation and planning for future water importation. Mr. Sharman suggested offering developers the choice of an importation fee or purchase of water mitigation credits.

Mr. Engelke suggested merging the four methodologies into one section with four options, so the County will not focus on cessation rather than reduction. Mr. Rolwing pointed out that the County opposes credits for irrigation improvements. Mr. Sharman agreed to modify the proposal accordingly.

Mr. Monica inquired about the distinction between an entitlement and a credit. Mr. Sharman explained that a water entitlement is given as a certificate when the landowner fallows. Then that entitlement may be subdivided into credits, which are sold to developers. Discussion followed regarding the potential purchase of additional credits by fallowers who exceed the water use limits of their contracts. It was the consensus that if the fallower miscalculates and uses excessive water, he could purchase credits after the fact. Otherwise he would be bound by the terms of the contract, and could not purchase credits ahead of time because of a change in plans.

Director Smiley emphasized that two key elements of the proposal must be conveyed to the County: that the easement is in perpetuity, and total cessation is not required.

1. CONSERVATION MANAGEMENT PLAN

- Discussion of Tiered Water Rate Program for 2008

Mr. Williamson distributed a draft Conservation Incentive Program Application prepared by Mr. Rolwing. He reported that one irrigation audit had been performed, and helped in addressing requirements. Don McKelvey asked whether there was a standard form for the audit, and Mr. Williamson replied that one would probably be developed in the future. Mr. McKelvey suggested a checklist for inspection of existing systems. Director Smiley suggested including rebates for smart irrigation controllers in the future.

- Discussion of public outreach option/FYE 2009 budget

The Committee discussed the County's visit at the July 23 Board meeting. The Board members intend to ask questions about the County's mitigation policy. Mr. Sharman planned to have a second draft of the mitigation entitlement policy by that time, but wanted to discuss it in a Committee meeting before bringing it to the County.

2. NATIONAL GROUNDWATER AWARENESS WEEK – MARCH 9-15, 2009

This item was not discussed.

3. UPDATE ON NATIONAL/REGIONAL WATER CONSERVATION ISSUES AND PROGRAMS

This item was not discussed.

4. CLOSING

There being no further business, the meeting adjourned at 10:55 a.m. The next regular Conservation Committee Meeting had been scheduled for Wednesday, September 3, 2008, but after discussion, it was decided to meet on August 6, 2008 at 9:00 a.m. Wendy Quinn will not be available, so Mr. Rolwing will record the proceedings.