

Borrego Water District
CORRECTED MINUTES
Groundwater Management Standing Committee
Wednesday, June 10, 2009, 9:15 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

Attendance: Directors: Mendenhall, Smiley
Staff: Richard Williamson, General Manager
 Allison Burns, Stradling, Yocca, Carlson and Rauth
 Wendy Quinn, Recording Secretary
Public: Clark Shimeall Rudy Monica
 Lane Sharman, BWX Bill Wright, Roadrunner Club
 Brian Cegelski, The Springs at Borrego

CALL TO ORDER
INTRODUCTION OF PARTICIPANTS

APPROVAL OF MINUTES

Rich Williamson corrected the expected amount of the I-Bank loan reflected in section 2 of the May 13 Minutes. It should be \$5 million. The Minutes of May 13 were approved as corrected, and the Minutes of May 27 were approved as written. Director Mendenhall requested that the Minutes be distributed in advance of the meeting.

CURRENT AGENDA ITEMS

1. Discussion of Water Mitigation and Entitlement Policy. Mr. Williamson explained that Allison Burns had merged her original draft policy with his. He hoped to present the new version to the Board at its next meeting for authorization to proceed with the CEQA process.

Mr. Williamson suggested amending the second line in section 1 to indicate the purpose is to "encourage the voluntary and immediate cessation and/or reduction of measurable water uses" Lane Sharman suggested removing the word "actively" from the phrase "actively irrigated farmland" in the fourth line, because the policy provides later for credits for inactive farmland that is entitled to be farmed. The same would apply to section 2.L (Definitions).

Ms. Burns noted that "4.B" should be inserted in the blank section number in Definitions, section 2.M. Mr. Sharman suggested that definition also be modified to state that "calculations shall be rounded up" He further recommended adding the definition of "desertscape."

Ms. Burns suggested that the title of section 3 be amended to read, "2:1 Mitigation Policy." Definitions paragraph 2.K should be consistent.

After discussion, the Committee agreed to delete the sentence in section 4.B.1(a) which read, "For purposes of this program, 'currently irrigated' shall mean irrigated for agricultural use during the preceding twelve (12) month period." This deletion will provide greater flexibility should the County policy change in the future. Ms. Burns suggested adding a definition to section 2 for "currently irrigated," "actively irrigated," or "currently irrigated for agricultural use," and using the defined term consistently throughout the policy. Further discussion followed regarding the designation of eligible land in section

4.A as 5 acres or more. It was agreed to change it to 10 acre-feet per acre per year of consumptive use, and to add the provision for turf, tamarisk and special crops as well. Mr. Sharman expressed concern regarding section 4.B.1(b)(iii), which requires completion of fallowing, shredding, etc. within 60 days of adoption of the policy. He felt it should be 360 days to provide sufficient time for the landowner to examine options. Ms. Burns explained that the time limit applies only to land that is not currently farmed, but nevertheless the Committee agreed to change it to 180 days, and to change the time limit in section 4.B.1(b)(ii) for submission of an executed water credits agreement to 90 days. Director Mendenhall asked why section 4.B.1(b)(iii) read, ". . . complete all fallowing, tree shredding and/or other activity . . ." when the section applies only to idle land. Since the provision was intended to provide for removal of dead crops which were no longer irrigated but might still be on the land, Ms. Burns suggested changing the wording to, "complete all actions required." The Committee agreed to replace the last sentences of sections 4.B.1(c) and (d), regarding the formula for the rate at which credits will be issued, with provisions that the rate will be determined by the District Engineer based on the consumptive use of the crop type removed. Mr. Williamson pointed out that section 4.B.1 should refer to four types of agricultural credits.

Mr. Sharman asked why section 4.B.2(d) referred to permanent restriction to a *percentage* of turf coverage, while the other subsections of 4.B.2 did not. Mr. Williamson explained that Turf-1 credits (4.B.2(a)) required replacement of all turf with gravel or artificial turf immediately. Turf-2 credits (4.B.2(b)) would replace grass with desertscape, which requires irrigation to get started but then none. Turf-3 credits (4.B.2(c)) would replace turf with another type of landscaping such as xeriscape, which will continue to require irrigation but at a lower rate. Turf-4 credits (4.B.2(d)) would be used, for example, by golf courses wanting to remove only a portion of their turf in conversion to a "target course." After discussion, the Committee agreed to eliminate section 4.B.2(d), as this situation could be covered by Turf-3 credits (immediate, permanent reduction in irrigation).

Discussion followed regarding section 4.B.3, concerning tamarisk removal, and what if the trees are dead. Jim Engelke suggested the policy specify *live* trees, and further inquired about a density requirement. Director Mendenhall suggested simply counting the number of trees, and Ms. Burns suggested deleting the last sentence ("TK Credits will be issued at a rate of _____ x the applicable number of credits designated in Section _____." Mr. Engelke questioned the requirement that the tamarisk be removed "concurrently with fallowing." What if a landowner wants to remove only the tamarisk? He suggested leaving it to the discretion of the District Engineer. Director Smiley suggested granting one credit per 100 lineal feet of live trees removed.

The Committee agreed to reverse the order in section 4.C, putting citrus first and then palms, since most fallowing is expected to be citrus. Ms. Burns noted that the fifth category in that section should be "special," rather than "other," for consistency. Bill Wright felt the credits were too high for today's economy and would discourage fallowing because there would be no buyers. He suggested the rate for citrus should be 4 credits/acre, at the most. He reiterated his recommendation that nonprofit organizations such as hospitals be exempt from mitigation, and noted that Jerry Rolwing had agreed to provide the County's language exempting such organizations. Mr. Williamson agreed, and asked Ms. Burns to include the exemption, perhaps by defining "development" as "new, residential, and for-profit commercial but excluding public service." He further suggested including a statement that the calculation of residential water use includes the assumption that the residents will use water offered by public facilities. Ms. Burns recommended that "Equivalent Dwelling Unit (EDU)" be added to the definitions.

Director Smiley asked about the administrative fee, which was left blank in section 5.C.3. Mr. Williamson suggested \$1,000 plus \$100 per credit. Ms. Burns suggested charging the \$1,000 when the landowner applies for the credits and the \$100 per credit when they actually receive them. The Committee agreed. The per-credit fee will be referenced in section 5.C.2. Credit transfers would be charged \$500, with no per-credit fee. Discussion followed regarding the survey requirements. Ms. Burns suggested that when the conditional certificate is issued, the landowner be informed of the need for a survey by a licensed surveyor before the actual credits are issued to confirm the acreage under irrigation. Roads and well sites would be included, but not buildings.

Mr. Wright requested clarification of section 6.B, ". . . at no time shall such Water Credits be sold for less than the BWD's costs" Ms. Burns suggested specifying *total* costs. Mr. Wright asked whether the buyer of the credits could do the following. Ms. Burns explained that only the property owner could record the easement, but Mr. Sharman added that the underground water rights could be assigned to the buyer until the transaction is complete. Mr. Williamson noted that conditional credits could be sold, and Director Smiley pointed out that the full amount of the transaction could be placed in escrow. Ms. Burns confirmed that could be done, with a notarized, written request that the certificates will be issued to the buyer.

2. Status of Financing/Grant Requests. Mr. Williamson reported that the STAG grant funds had been earmarked, and we should begin receiving funds this fall (\$275,000 total).

The initial application for the I-Bank loan has been approved, and Mr. Williamson is working with lawyers and accountants on the final application. The amount should be between \$5 million and \$5.4 million at approximately four percent interest.

The District is applying for money from the Bureau of Reclamation for a basin study.

Mr. Williamson reported on a recent meeting regarding the establishment of regional management areas throughout the State. Our region has been expanded to the south and east and is designated the "Borrego Management Area." A new map will be prepared and brought to the Board.

Jim McConnell and Bill Mills met with the Corps of Engineers and USDA in an effort to identify an eligible project for available funds.

3. Update on Groundwater Management Study. Mr. Williamson reported he would be meeting soon with the USGS and DWR, as the study proceeds into the development phase.

4. Status of Sustainable Water Supply Projects. Mr. Williamson reported that design of the Clark Lake project is complete. Work is continuing on the Wilcox and Indian Head storage sites and survey and design for the Southeast transmission line. Director Smiley asked whether it would be inefficient to build a pipeline that exceeds the initial required capacity. Mr. Williamson did not believe it would be, and added that we would determine the best size within the next three years.

5. Groundwater Management Budget Review/Proposal for FYE 2010. The Groundwater Management Budget for FYE 2010 was discussed at the last Committee meeting.

There being no further business, the meeting adjourned at 12:10 p.m. The next regular Groundwater Management Committee Meeting was scheduled for Wednesday, July 8, 2009 at 9:15 a.m.