

Borrego Water District
CORRECTED MINUTES
Groundwater Management Standing Committee
Wednesday, April 14, 2010, 9:15 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

Attendance: Directors: Mendenhall, Smiley
Staff: Richard Williamson, General Manager
 Wendy Quinn, Recording Secretary
Public: Jim Engelke, Lundberg Clark Shimeall
 Lane Sharman, BWX, Gary Dix Marshal Brecht
 Beth Hart Jan Stubbs, Gary Dix
 Gary Dix

CALL TO ORDER
INTRODUCTION OF PARTICIPANTS

The attendees introduced themselves.

APPROVAL OF MINUTES

The Minutes of March 10, 2010 were approved as written.

CURRENT AGENDA ITEMS

1. Review of progress on Groundwater Management 2000-2010. Rich Williamson distributed Goals and Objectives adopted in 2002 and Evaluation of Alternative Projects and Management Actions from the 2009 Integrated Water Resources Management Plan. Most of the proposals have been adopted, and we are now looking at interim augmentation of domestic water from Clark Lake or San Felipe, as well as long-term sustainability for the entire basin.

Mr. Williamson reported that most of the feedback from last week's Town Hall meeting was encouraging and proactive. Based on the computer model, the USGS concluded that the upper aquifer, where we get all our water, will be dewatered within 35 to 65 years under the existing scenario. Other scenarios evaluated were importation of 15,000 acre-feet of water per year, reduction of agriculture by 50 percent, and importation of 300,000 acre-feet over a ten-year period with 85 percent retraction.

Discussion followed regarding various scenarios for future aquifer usage, and Mr. Williamson suggested that the Committee develop a list of 10 or 20 alternatives to be tested by the model, then present the findings to the Board.

Jan Stubbs inquired about Clark Lake, and Mr. Williamson explained that it would yield approximately 2,000 acre-feet per year, nearly the approximate domestic use. Mr. Stubbs asked the proportionate cost of the pipeline, and Mr. Williamson explained it would be \$8 million, including the well field. Depending on the location of the well field, the mileage would be approximately 12.

Clark Shimeall inquired about the water quality on the south side of Clark Lake, where a well had been drilled in 1995. Mr. Williamson reported that the water was of low quality, and there were production issues. The District is working with the park to modify an easement on the north side, remaining sensitive to environmental concerns.

Beth Hart asked when an interim importation project might be completed. Mr. Williamson explained that once funding is secured, it would take approximately three years.

2. Discussion regarding solar power proposals for Borrego Valley in relationship to Groundwater Management. Mr. Williamson reported that according to our solar consultant, Chris Gadomski, solar providers typically give one percent of their revenue (approximately \$100,000 per year) back to the community because of their significant tax advantages. The Community Sponsor Group has asked the County to encourage solar providers to locate on fallowed citrus land, and BWD has requested that their one percent donation go to the Water District for use in fallowing the land.

Jim Engelke suggested creating a special district encompassing our agricultural land, and asking the solar providers to contribute to that district. This would ensure the money stays in Borrego Springs, rather than reverting to the County.

Mr. Stubbs asked whether BWD could tax solar power, and discussion followed. Mr. Williamson did not believe they could, but Mr. Stubbs brought up a situation in Imperial County where the solar providers left because of the threat of a County tax. Lane Sharman stated there were legal constraints on taxing power. Mr. Engelke recommended referring to it as a mitigation fee rather than a tax. Mr. Williamson suggested contacting Supervisor Horn for assistance.

Ms. Hart suggested the District may be better off buying water rights than land. Mr. Williamson preferred to let the market drive the water credit and mitigation program, but explained that given today's economy, the District has purchased restrictive easements, i.e. water rights. If we do purchase land, it would likely be with the idea of using it some day for a recharge basin. The cost could be recovered through the sale of mitigation credits after fallowing.

Mr. Williamson observed that the Board would need to decide how to proceed. He questioned whether we could eliminate power bills by purchasing solar panels and going into net metering. Mr. Sharman thought up to 99 percent could be offset, and added that the cost of solar facilities could be financed by including it in an agency's or individual's property tax bill. Mr. Williamson agreed to place the matter on the next Board agenda for an update and consideration of forming an ad hoc committee to investigate further. Director Smiley recommended continued monitoring of the Sponsor Group activities in this area.

3. Discussion: Integrated Water Resource Management Plan.

a. Groundwater Banking option Development.

b. Stakeholder Involvement/process.

Mr. Williamson noted that the water banking option would be a big part of the basin study we have proposed to the Bureau of Reclamation. Canebrake Water District has been working with BWD to seek grant funding through the Integrated Regional Water Management Plan, and BWD is in a position to help Canebrake achieve its local share match. The State is encouraging involvement of Indians and would provide a facilitator. Their involvement might increase our chances for grant approval.

4. Status of applications for water credits. Mr. Williamson announced that Gary Dix's water credits for Borrego Sunshine Farms were ready to be executed. Mr. Sharman noted there were a few business matters remaining for discussion relative to Mr. Dix's retention of the right to retain use of one acre-foot of water on his property. Director Smiley requested an opportunity to review the agreement.

Mr. Sharman inquired about potential buyers for the credits, and Mr. Engelke replied that he had interested clients, particularly Charlie White. Mr. Williamson noted that the District maintains a list of available credits for sale. Ms. Hart suggested they be posted on the website, and Mr. Sharman added he would like to see a record of all credit transactions on the site.

Mr. Engelke reported that Jeff Friestedt, a Club Circle property owner, would like to reduce the golf course turf adjacent to his property by two and a half acres and report it to the County for mitigation, using a consumptive rate of four. Mr. Williamson explained that the District has obtained a 20-year lease on the golf course and intends to fallow approximately ten acres, using the resulting credits to offset the cost. In Mr. Friestedt's case, he would pay for the fallowing of the two and a half acres and use the mitigation for his ten lots. Mr. Engelke noted that he had another client in the area who hopes to make a similar arrangement. The Committee expressed support for the proposal.

5. Financing/Grants request status. Mr. Williamson reported that on May 27 the I-Bank Board would consider the District's loan application. The staff proposes three and one-fourth percent interest for a thirty-year term. Our proposed project has gone through the CEQA process, but after loan approval we may change it. Specifically, we may reconsider the Indianhead Reservoir because it doesn't appear the adjacent farmland will be converted to residential use any time soon. Also, the District is reconsidering the berm at the Wilcox Reservoir because of the expense and potential aesthetic concerns. It might be better camouflaged by paint.

There being no further business, the meeting adjourned at 11:45 a.m. The next regular Groundwater Management Committee Meeting was scheduled for Wednesday, May 12, 2010 at 9:15 a.m.