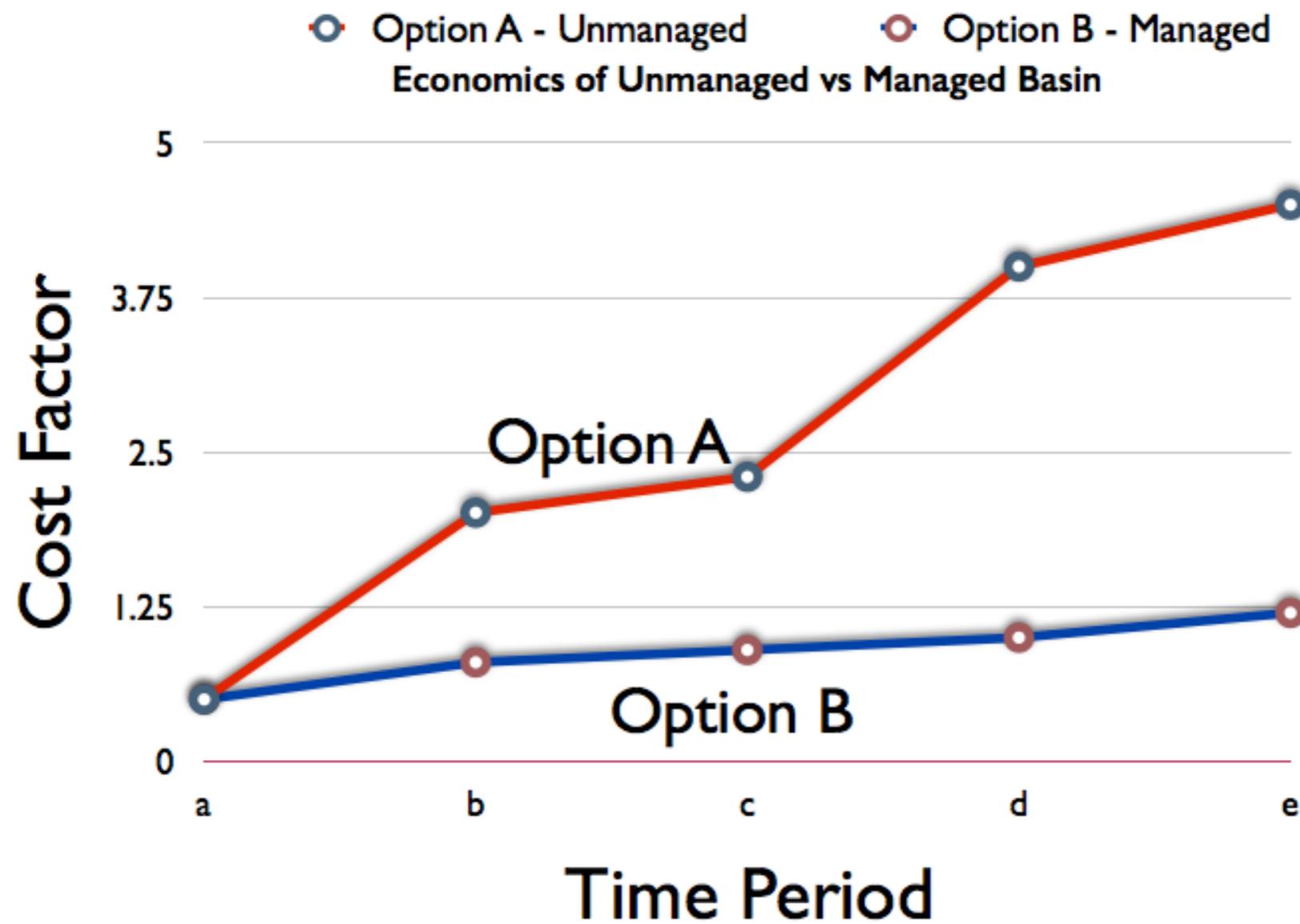


# OVERDRAFT... WHY BOTHER?



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# HOW DO WE KNOW?

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- ~\$1.9 million spent recently to determine: (a) an overdraft exists; (b) its magnitude; and (c) no other sources of water are economically available to the Valley at this time.
- US Geological Survey (2015) Basin study; \$550,000 cost (\$350,000 District ratepayers, \$200,000 USGS)
- no productive aquifers over the next hill - US Environmental Protection Agency study (2013); \$450,000 cost (\$200,000 ratepayers, \$250,000 USEPA)
- no other sources of water via pipeline to the Valley - US Bureau of Reclamation study (2015); \$900,000 cost (\$12,000 ratepayers, \$900,000 Reclamation)

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# WHAT DOES “MANAGED BASIN” MEAN?

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- plan to achieve *sustainable yield* within a defined timeframe
- *sustainable yield* means average annual net withdrawals are not greater than average annual net inflows from all sources
- average annual net withdrawals must decrease by ~70%
- within no more than 20-years from 2020

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# TWO FORCING METHODS

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- litigation - adjudication
- State legislated mandates (i.e. Sustainable Groundwater Management Act - *SGMA*)
- [*SGMA* replaces AB 3030 Groundwater Management Plan legislation]

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# LITIGATION

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- Benefits
  - delaying tactic. Court case could take as long as ~8-years
  - produces a definite outcome (everyone knows their water rights when all is said and done)
- Drawbacks
  - uncertain outcome that adds delay. Courts will require a ~20-year plan, similar to SGMA
  - eliminates options for state grants, public finance & foundation money to implement plan
  - uses community's financial resources exclusively (to play, one must pay)
  - a management plan is still required by courts. Planning costs are not avoided

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# BORREGO WATER COALITION POLICY RECOMMENDATIONS

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- develop a *Groundwater Sustainability Plan* (GSP)
- reach sustainable yield in no more than 20-years from 2020
- implement penalties for pumpers who do not meet annual reduction targets
- require meters for all production wells in Valley
- [Coalition members represent ~80% of total annual Basin withdrawals & usage]

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## GSP Development Costs Estimate

*Likely ~\$1,500,000 over 2-3 years (+/- ~\$300,000)*

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# WHO PAYS?

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- ratepayers or farmers or recreation (golf) - non-defensible
- all present Basin users pay their fair proportional share - defensible

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# WHAT IS FAIR PROPORTIONAL SHARE OF GSP DEVELOPMENT?

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- owned acreage
- annual withdrawals
- property values
- water rights
- blended proportional share

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# PROPORTIONAL SHARE OF OWNED ACREAGE

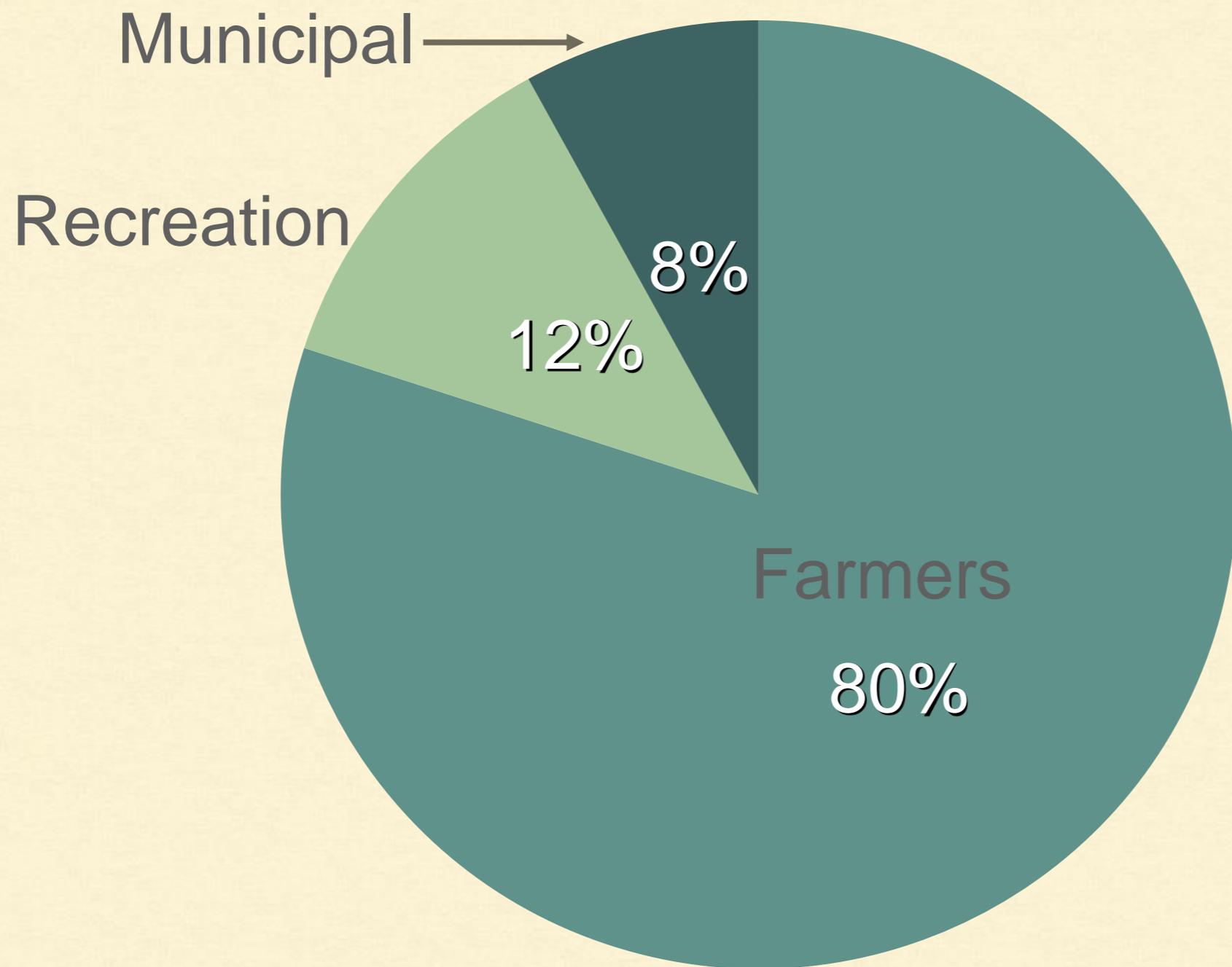
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- unfair
- three largest land owners in Valley - Anza Borrego Desert State Park, Anza-Borrego Foundation and Dennis Avery estate are some of the lowest water users

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# PROPORTIONAL SHARE OF ANNUAL WITHDRAWALS

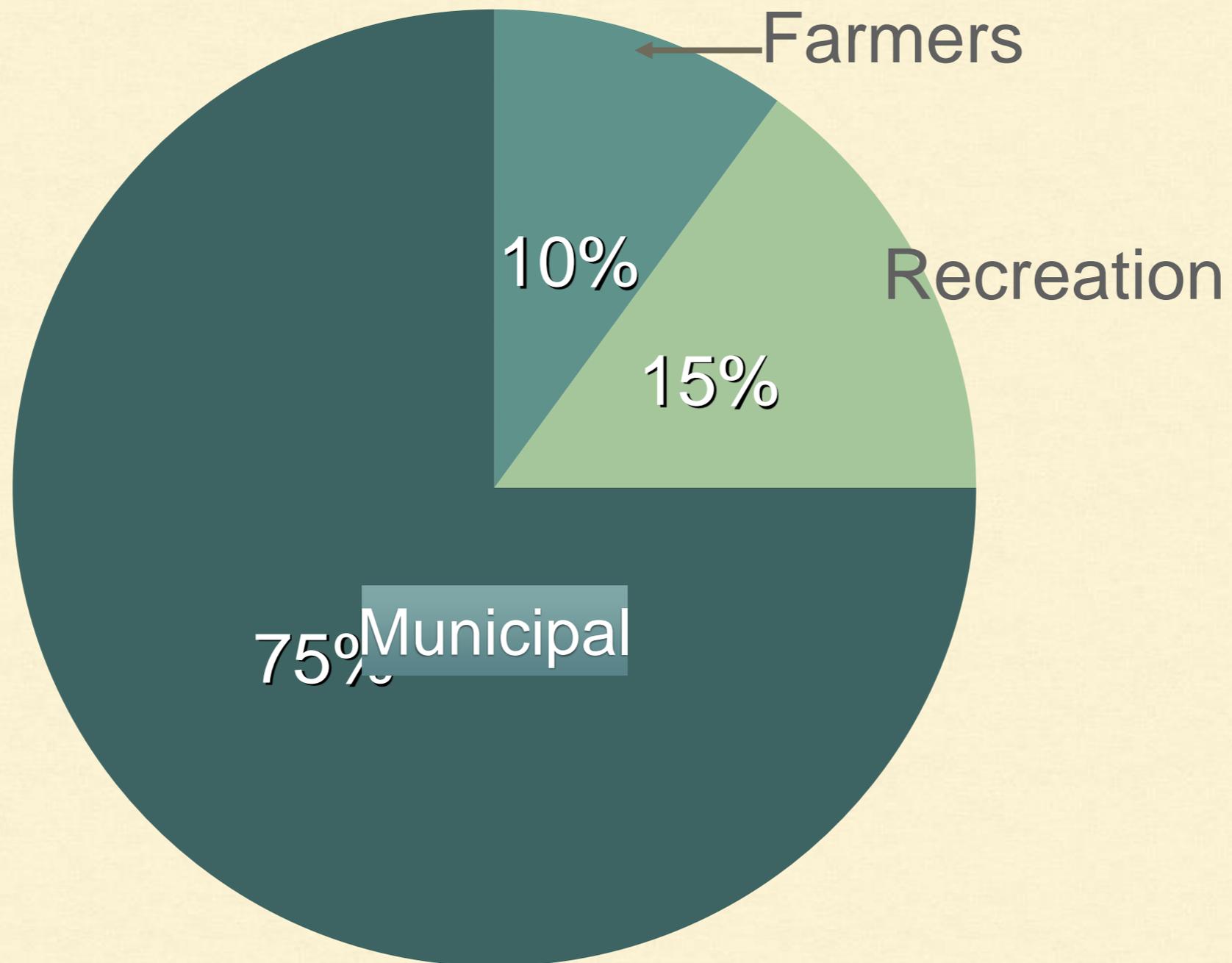
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# PROPORTIONAL SHARE OF PROPERTY VALUES

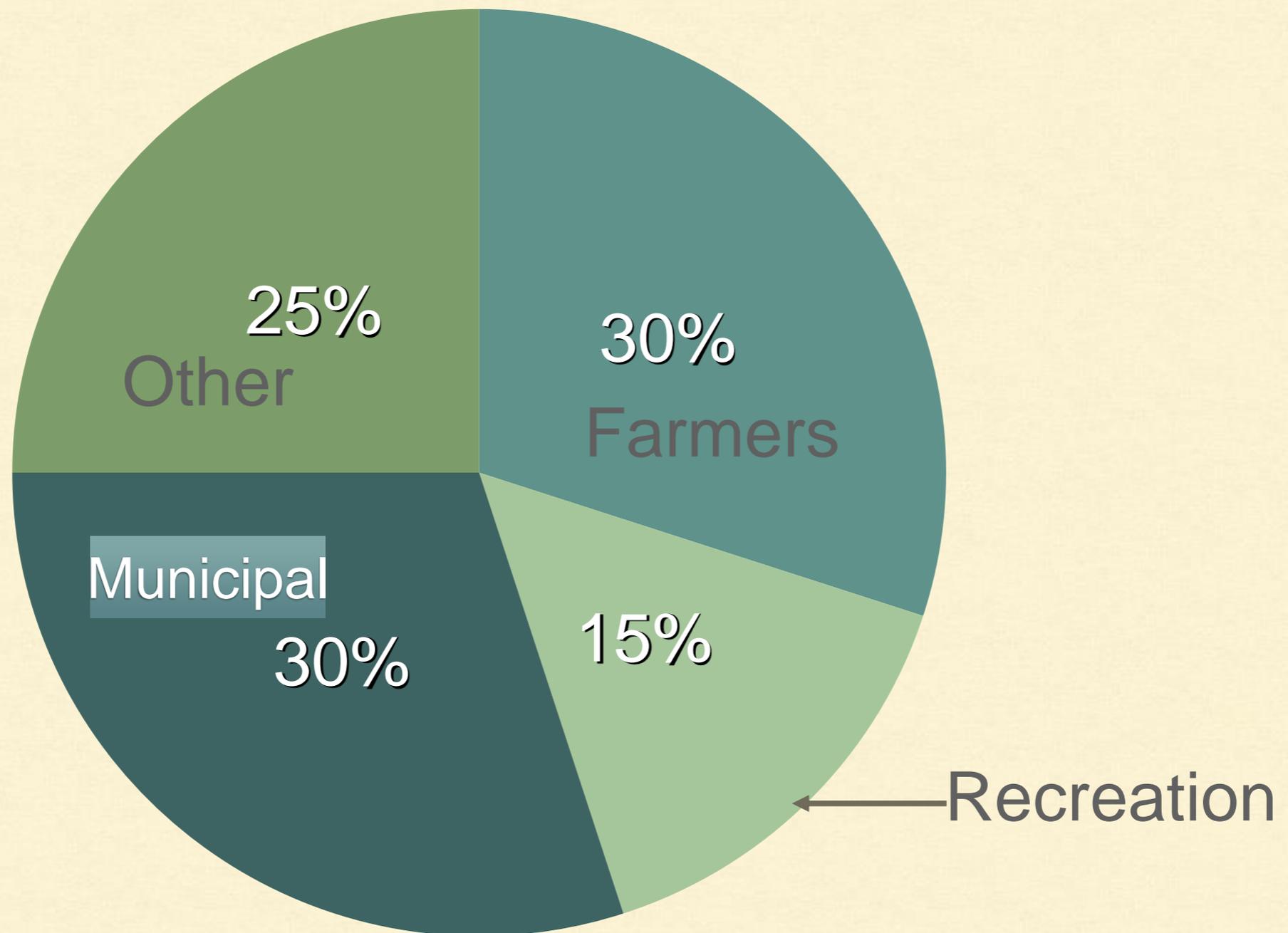
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# PROPORTIONAL SHARE OF WATER RIGHTS

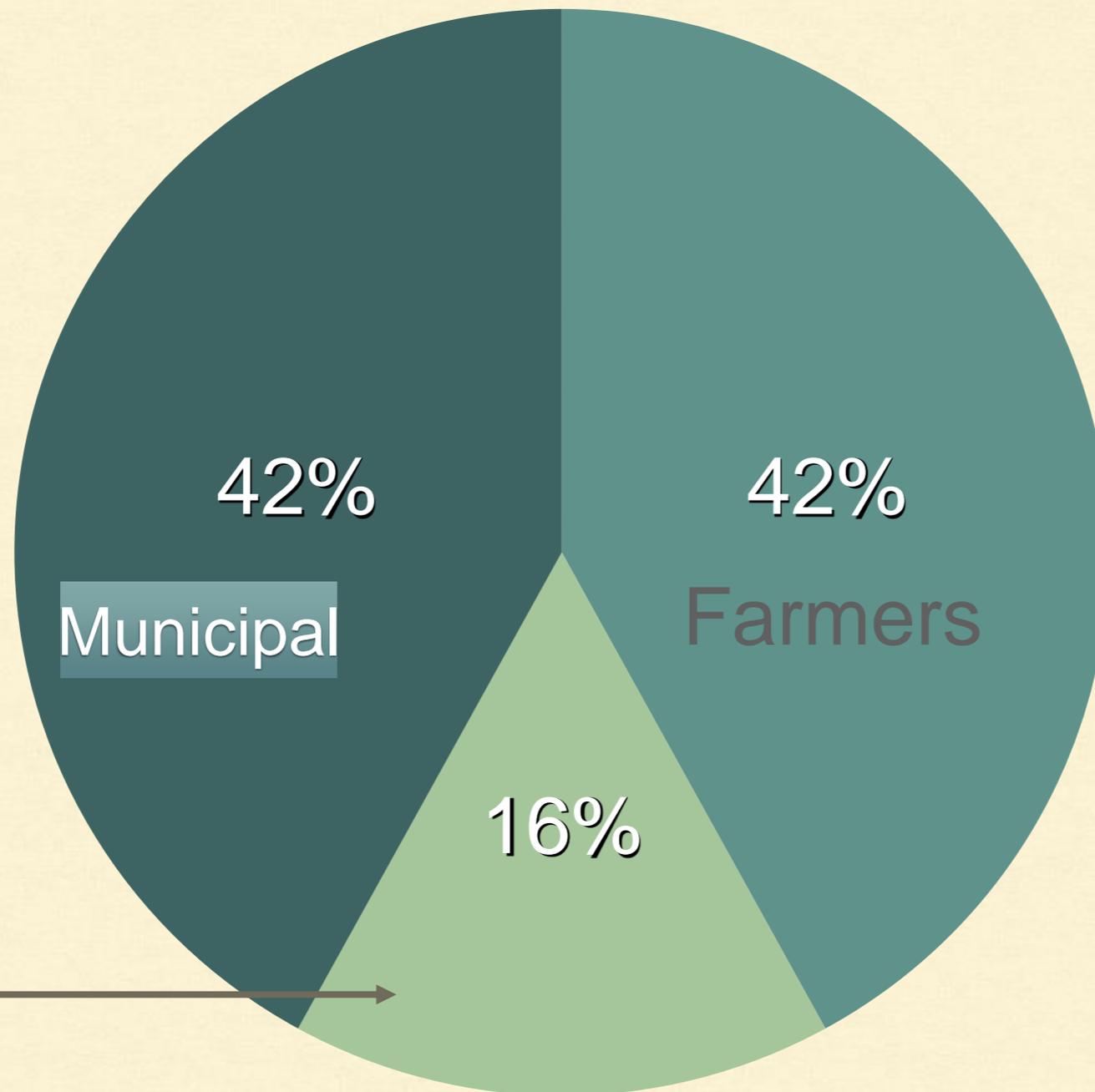
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# BLENDED PROPORTIONAL SHARE

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Recreation →

# BLENDED APPORTIONED COSTS

	FARMERS	RECREATION	MUNICIPAL
SHARE OF TOTAL	\$630,000	\$240,000	\$630,000
ANNUAL SHARE PAID 5-YEARS	\$126,000	\$48,000	\$126,000
COST/ AF OF WITHDRAWALS	~\$9.00	~\$18.00	~\$60.00

# MUNICIPAL COSTS (ESTIMATED)

# OF RATEPAYERS	USAGE (AFY AVERAGE)	ANNUAL COST FOR 5-YEARS	MONTHLY COST FOR 5-YEARS
141	0	\$0.00	\$0.00
838	0.33	~\$19.80	~\$1.65
275	0.55	~\$33.00	~\$2.75
350	>1.00	>\$60.00	>\$5.00

■ Net Increase (Decrease) In Cash & Cash Equivalents

