

**Borrego Water District
MINUTES
Conservation
Standing Committee
Wednesday, July 2, 2008
9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004**

Attendance: Directors: Shimeall, Smiley
Staff: Richard Williamson, General Manager
 Jerry Rolwing, Operations Manager
 Wendy Quinn, Recording Secretary
Public: Greg Stumpf Ronald Del Guercio
 Jim Engelke Eric Schmidt
 Rudy Monica Beth Hart
 Lane Sharman, BWX Betty McKee
 Scot Fortiner, Fortiner Glad Ranch

Director Shimeall welcomed new attendee Eric Schmidt, and those present introduced themselves. Director Shimeall announced that Montesororo would be closing its golf course in July and August and limiting irrigation to greens, tees and landscaping. Reseeding is scheduled for October. Ronald Del Guercio reported that he was removing 3,000 square feet of lawn.

1. CONSERVATION MANAGEMENT PLAN

Discussion of comments by County of San Diego to Mitigation Entitlement Policy

Lane Sharman noted that the County proposes to terminate all rights to the property owner's well as a condition of mitigation entitlement. He felt this provision was unworkable, and that very few people would accept it, particularly those who are not served by the Water District. Mr. Sharman reiterated his proposal to form a committee to develop terms for water use reduction, enforcement, remedies and easement, and asked Director Smiley to chair it. He proposed a "cap and trade" system, whereby the property owner agrees to a reduction in water use and sells mitigation credits to developers. If the property owner violates his/her water use "cap," additional credits must be purchased to compensate. Mr. Sharman recommended eliminating the in-lieu fee. Rich Williamson observed that whatever price is set for the in-lieu fee, that would affect the value of the mitigation credits. Under Proposition 218, he questioned whether the District could set a rate that changes with the market. Discussion followed regarding the mitigation ratio and in-lieu fee rates.

Mr. Schmidt recommended that water use prior to fallowing be documented. Director Smiley suggested that if the fallower did not keep records, industry averages for irrigation could be used, or usage estimates could be developed from electric bills. Mr. Sharman added that a meter would be installed after fallowing to monitor use. Jim Engelke recommended that the District's proposal to the County include the ability to retain some water use, the elimination of time limits on the use of mitigation entitlements, and the requirement that the well be metered after fallowing.

Mr. Williamson reported that he and Director Smiley met with the Community Sponsor Group to discuss land use and water management issues. He urged cooperation among the various local groups addressing the same concerns. Mr. Williamson further pointed out that a farmer would have to weigh the relative profits in fallowing land and selling mitigation credits versus simply selling his land to a developer. Beth Hart pointed out that either scenario depends on development, which has historically been slow in this area.

Mr. Schmidt felt the water reduction agreements would be difficult to enforce, and Mr. Engelke concurred. Mr. Sharman suggested that BWD become a Special Acts District, thereby acquiring enforcement powers.

Mr. Engelke felt the District's 2:1 mitigation requirement was illegal based on the "rough proportionality" requirement. Mr. Williamson explained that fallowing land according to the 2:1 ratio was less expensive than the alternative, importing water, and cited statistics. While importation is still likely, it will take years. Conservation, planning and funding must begin now.

Mr. Engelke suggested targeting farmers with mature groves who are faced with a decision whether to replant and may choose to fallow instead. Scot Fortiner announced that he had a mature grove which was still doing well, but he was considering replanting in the fall in the absence of a firm mitigation entitlement offer from the District. He would potentially be willing to fallow 40 acres. Mr. Engelke and Mr. Sharman noted they had clients in similar situations.

Director Smiley agreed to lead the task force to compile a mitigation entitlement policy. Mr. Sharman envisioned that the District would receive a mitigation entitlement deed, which could then be divided up into credits to be purchased by those in need of mitigation. The fallowers would set the price.

Discussion followed regarding the importance of obtaining the County's concurrence in the District's mitigation entitlement policy. Mr. Williamson suggested including Jim Bennett or another representative of the County on the task force. Mr. Sharman recommended that in addition to himself and Director Smiley, the task force include Rudy Monica, Mr. Engelke and Mr. Fortiner. Ms. Hart asked whether the public could attend, and Mr. Sharman replied that they could. Mr. Sharman requested the Board's permission to meet with County Counsel. Ms. Hart asked whether, since the District already owns some mitigation credits, they would be competing with fallowers for the sale. Mr. Williamson predicted that the District's credits would be purchased mainly by single family home builders, whereas the larger developers would go directly to the farmer or golf course.

Mr. Williamson asked Mr. Sharman to prepare a written proposal for the mitigation entitlement policy, request comments from other task force members, then schedule a task force meeting and then meet with the County. Mr. Engelke recommended that the proposal include a response to the County's comments. Discussion followed regarding discussing the written proposal at a special Conservation Committee meeting, and it was agreed to schedule it for July 9.

- Discussion of Tiered Water Rate Program for 2008

Director Shimeall inquired about the development of a form for conservation incentive application. Mr. Williamson replied that he and Jerry Rolwing would prepare it prior to the July 9 Committee meeting. Mr. Del Guercio explained that Tom Fredericks would be removing his turf while he was out of town and asked if Mr. Fredericks could apply for the incentive payment on his behalf. Mr. Williamson replied that he could do so. In response to another question from Mr. Del Guercio, Mr. Williamson estimated the irrigation efficiency audits should be available by October. He recognized Mr. Fredericks as qualified to perform an audit, so if he were to perform one in the meantime he could bill the District

directly. The District would pay 20 percent of the retrofit with prior approval. Mr. Rolwing noted that plans must be submitted to the District in advance. Ms. Hart recommended including those requirements on the application form.

- Discussion of public outreach option/FYE 2009 budget

Director Shimeall reminded the Committee that we need to work on inserts for water bills, to remind customers to conserve water. Mr. Williamson planned to have an insert for the next bill, in early August, advertising the conservation incentives. In the future he planned to investigate inserts that are available for purchase.

Mr. Engelke noted that the street around Christmas Circle is still being watered. Mr. Williamson reported he had called Jim Wilson and hoped to meet with him soon. He will present an update on July 9.

Mr. Monica reported that Club Circle was planning some turf removal and asked whether they would qualify for an incentive. Mr. Williamson expected they would be part of the District by the end of the year, and would qualify then, probably for a mitigation entitlement. He agreed to discuss it with Abby King.

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 11:10 a.m. to July 9, 2008. The next regular Conservation Committee Meeting is scheduled for Wednesday, September 3, 2008 at 9:00 a.m.