

June 28, 2019

The Honorable John Peschong
San Luis Obispo County Supervisor, District 1
County Government Center
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Chapter 9 Concepts and Policy

I am writing these comments as an interested and involved participant in groundwater issues in the Paso Robles Basin for many years. My comments have formed as a result of my extensive participation in the Paso Robles Basin. I have been retained by J. Lohr Vineyards and Wines as a Water Consultant and I am a Board Member of the Estrella-El Pomar-Creston Water District. However, these comments do not represent an official position of the EPC Water District. My comments are generally consistent with J. Lohr Vineyards and Wines opinions.

It is my understanding that the current Chapter 9 that was presented in April, 2019 at the Cooperative Committee Meetings is under review and likely to undergo substantial changes. Rather than comment on specifics of the current version of Chapter 9, I would like to present the following conceptual framework that addresses significant policy issues that must be resolved before Chapter 9 can move forward with its Management Actions and Projects. I believe these critical policy decisions must be resolved now in order to move forward. Without broad agreement on policy, details of implementation are impossible. These important policy decisions need to be made in open public discussions now and not buried in future regulations.

1. **Flow Meter Program** - It would be difficult to consider any GSP to be a comprehensive plan without a mechanism to measure groundwater production. Metering and reporting groundwater pumping should be the obvious first action of the GSP. Requiring the registration of wells and reporting of groundwater pumping will be an indication of the seriousness of the GSP. We can't manage what we don't measure. Also, any allocation system resulting in reductions in pumping will have to be based on observable numbers.

The GSP should make metering mandatory and reporting of all wells other than domestic wells. This should be required by the end of 2020. Reporting of all groundwater extraction should be required starting in the calendar year of 2021 and reported early in the calendar year 2022.

The GSP should develop its own database of wells and collect and maintain well information. Owners should be required to register their well(s) and provide such information as the APN Number, GPS location of the well, well size and depth, owners names and contact information, responsible person's name and contact information, information on the measuring device used

and other information as needed. The GSP will need to develop a robust management structure to collect and maintain the Basin's well information as well as to enforce the requirements of the GSP. Communal data such as well information should be maintained in one location and administered uniformly across the Basin.

There should be a significant annual penalty for not registering wells and for not reporting groundwater production.

When an allocation system is implemented by the GSP using a crop load factor, then those landowners who do not report groundwater production to the GSP should be assumed to be using **double** the crop load duty factor. This assigned usage may be used to calculate extraction fees that may be implemented by the GSP and also the extraction penalty fees for those over producing more water than their allocated amount.

2. **No New Plantings** – the GSP must work closely with the County and the County's Land-use authority to ensure that there will be no new plantings.
3. **Base Pumping Fees** – should be implemented immediately or at least when pumping data is available, see item #1 above. The fees should be in the nominal range of \$20 to \$80 per AF of groundwater produced in any given year. These fees would be used to fund operation of the GSP and could cover such expenditures as Model refinements, Model Runs, hydrological studies, professional consultants, monitoring wells, well monitoring network, and GSP operations.
4. **Projects** – projects are important tools that can help bring the Basin into sustainability. By their very nature, project will take time, therefore projects need to be started sooner rather than later. Raising the Salinas Dam may take a decade or more, so the GSP must actively embrace this project along with other projects that represent real solutions by bringing supplemental water to the Basin, reduce pumping in the basin or enhance groundwater recharge. Viable projects must be endorsed and supported by the GSP. Projects should not be trivialized by relegating them to an Appendix.

Specific tangible projects should be recognized and included as an integral component of Chapter 9.

Cutbacks in groundwater pumping should not be considered until projects are implemented or at least started. A GSP that ignores projects that offer real opportunities to reduce groundwater pumping will be marginalized.

Projects may take the form of private or public projects. Under either circumstance, the GSP will need to endorse the various projects and provide leadership, public support and outreach and the seek the political will to make them be successful.

5. **In-lieu Water Credits Exchange** – The GSP will need to provide provisions for the exchange of in-lieu ‘water credits’ resulting from the use of supplemental water.
6. **Mandatory Pumping Reductions and an Allocation System Based on County’s Crop Type Factor** – pumping cutbacks seem to be a certainty in the future. The GSP will need to develop a system to determine the baseline pumping ‘allowances’ for groundwater users. These pumping allowances will likely be less than current pumping production and will represent the cutbacks necessary to bring the Basin into sustainability. Pumping allowances should be based on the County’s Crop Type Factor and not on historical usage. The County Crop Type Factors are a more equitable way of allocation of water allotments by leveling the playing field rather than historical usage. Historical usage would tend to reward the over users and penalize the frugal users. Historical usage may also present a fundamental inequity between groundwater users.

The GSP will grant groundwater users an annual allowance for groundwater production and the GSP will need to be able to verify compliance with these allowances in pumping through its groundwater pumping reporting and monitoring program.

7. **Significant Penalties for Over Production** – to meet the sustainability goals that SGMA mandates, pumpers in the Paso Robles Groundwater Basin will have to reduce groundwater pumping. It is the obligation of the GSP to ensure that groundwater users play fairly and operate within the prescribed limits set by the GSP. Whether by omission, indifference, or calculation by groundwater users, the GSP needs to make sure that over production of groundwater is economically unattractive. Chronic over production should not be tolerated. Over production should not be allowed as an on-going method of operation.

The GSP should institute meaningful penalties for over production of water. Enforcement of groundwater usage rules will be an additional responsibility of the GSP.

Users will have the choice of reducing pumping, securing supplemental water or face severe penalties.

8. **Basin Managed as Whole** – DWR’s Bulletin 118 defines groundwater basins from a hydrological point of view. The Paso Robles Groundwater Basin should be managed as a single basin. All users share the benefits of the Basin and all users should participate in and share the responsibilities of maintaining the health and sustainability of the Basin on an equal basis.

For consistency and conformity, all data gathering and storage should be in a repository maintained by the GSP. The GSP should also have one methodology for enforcement.

9. **Minimum Threshold Levels, Chapters 8** - should be based on 2017 levels, using prior year’s levels could result in severe, unrealistic and disruptive cut backs.
10. **Fallowing** –both temporary and permanent fallowing should be supported by the GSP. The GSP should not acquire land in order to permanently fallow land but rather just buyout the pumping allocations.

Voluntary, temporary fallowing should be encouraged and the GSP should support landowners choosing this path by allowing the land to go fallow without the landowner losing their allowances.

Finally, I am concerned about the autonomy granted to GSA's in the current version of Chapter 9. This could profoundly undermine the structure and decision-making process that the current MOA provides. SGMA requires multiple GSP's within a basin to have cooperating agreements. The current structure presented by Chapter 9 seems to be missing any substantial 'cooperating' language between GSA's. The GSP seems to be leaving all major policy decisions to the future and without providing any sort of supporting organizational structure.

Regards,

A handwritten signature in cursive script, appearing to read "Jerry Reaugh".

Jerry Reaugh