

DRAFT WATER CREDITS POLICY

No new water credits will be issued after January 1, 2020.

Major pumpers, [including the Borrego Water District (BWD)] of the Borrego Springs Subbasin (Subbasin) of the Borrego Valley Groundwater Basin have come together in agreement (“the Stipulation”) with a solution to achieve water sustainability for this *critically* overdrafted Subbasin that meets requirements of the State of California’s Sustainable Groundwater Act (SGMA) that went into effect January 1, 2015.

One major provision of the Stipulation is that all water credit holders will be issued Baseline Pumping Allocations (BPA) based on historical pumping. Existing water credit holders under previous BWD Demand Offset Mitigation Water Credits Policies have the option of converting to BPA equivalents until the Superior Court approves the Stipulation, after which water credits will no longer be accepted by BWD under its Policy for Water and Sewer Service to New Developments (BWD Developer Policy) for the New Development Water Supply Charge.

Under the Stipulation, holders of water credits are entitled to receive BPA as long as following on the property from which the water credits were originally generated has been completed, per the following standards in the Stipulation. Going forward under the Stipulation, once the court approves it, anyone who pumps over two acre-feet of water in the Subbasin must own the necessary BPA that supports annual pumping allocation limits for that property

Once issued, BPA can be used to pump water from the Subbasin and will also be accepted by the BWD in exchange for potable water service, subject to the then-current BWD Developer Policy. The initial issuance of BPA will be approved by the court and will be provided in exchange for an annually-imposed per-acre-foot pumping fee used to cover the costs for on-going groundwater sustainability management for the Subbasin.

BPA ordinarily must be assigned to and associated with a particular parcel or parcels in the Borrego Valley (Valley). If the water credit holder no longer owns real property in the Valley, BWD or the Watermaster for the Subbasin established under the Stipulation can hold that BPA in trust.

Details on how BPA is expected to be issued and can be used, including transfer provisions, pumping fees, etc. can be found here: <http://www.bvgsp.org/judgment.html>. We encourage current water credit holders to familiarize yourself with these documents and reach out to the BWD with any questions.