Options For Incentivized Demand Management

- **Fallowing:** Reduction in total irrigated production acreage. Conversion to non-irrigated use such as grazing, dry crops, or recharge basin. Or land will simply be left undeveloped.
- **Crop Diversification:** Changing all or some irrigated land to crops that require less water. Almonds converted to olives may save 1 ac/ft per acre. Walnuts converted to olives may save .5 ac/ft per acre. Almonds converted to melons/squash may save 1.9 ac/ft per acre.
- **Replant Extension:** This is the temporary equivalent of fallowing. Extends the time between removal of old crop and planting of new, creating a period when irrigation is not required.
- **Irrigation Efficiency:** Reduces demand by decreasing the water required to produce a crop. Includes irrigation type, coverage patterns, soil moisture probes, scheduling, evapotranspiration (ET) monitoring and others.
- **Use of Surface Water VS Groundwater:** Promotes the use of all available surface supplies prior to the use of groundwater.
- **Soil Improvement:** Addition of various chemical, organic and inorganic soil amendments that reduce the amount of water required to produce a crop.

There are two ways to offer incentives for the above activities. The District could either charge a fee to all users (the fee would be compliant with Propositions 26 and 218 and implemented on a countywide, subbasin wide or areawide basis) and use the funds collected to offer programs and incentives encouraging the above activities, or the incentive to do these activities could be fee reduction or avoidance.

If the District charges a fee to implement the incentive programs and activities, that fee would be added to the base GSA fee in accordance with law. The Board of Directors would approve program budgets and set conditions for acceptance into the program. District Staff or contractors would oversee the outcomes in the field and the District would have parameters to measure reduction in use.

In the fee reduction or avoidance scenario, the user would pay less fees in exchange for doing one of the above activities. Certain programs would require less funding if there is less risk of overdraft and less revenue would be required for water-supply projects to offset overdraft. The fee reduction or avoidance scenario fits well with the goal of incentivized Demand Management because those who choose to do an activity that reduces their groundwater use would lower their per-acre-foot cost associated with SGMA compliance and benefit from lower programmatic fees while having the freedom to choose the activity that works best for them.

Because the District will likely be using assumptive use fees (metering would be optional, not required), things like Fallowing, Crop Diversification and Replant Extension would be straightforward to calculate the reduction in groundwater use. The other activities would require either a meter to prove use below assumptive groundwater volume or metering of surface water in order to subtract from assumptive volume.