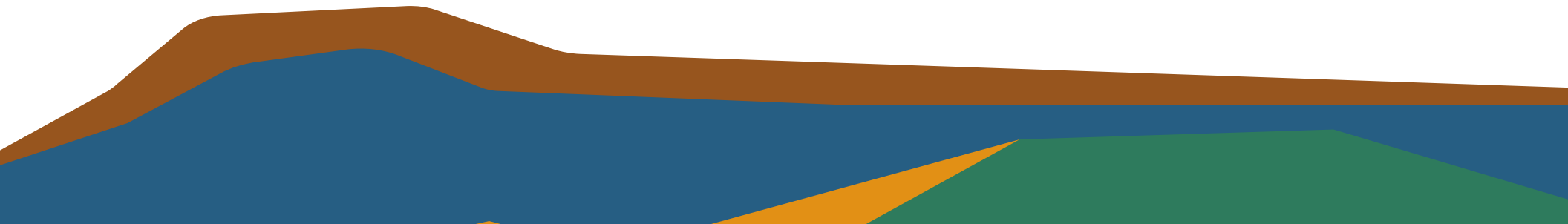




# SVBGSA Demand Management Draft Framework

Board of Directors Meeting  
October 9, 2025



# Agenda

- Demand Management (DM) Overview
- DM Framework
  - Global Elements
  - DM Measures: Agriculture
  - DM Measures: Domestic
  - Stages & Triggers
  - Activation / Implementation
- Discussion

# SVBGSA DM Overview

# Where are we?



DM Strategy (Starting in 2023/2024)  
*Preliminary exploration of concepts:*

Stakeholder Survey  
Workshops  
Legal Memorandum



DM Framework (**October 2025**)  
*Foundational DM structure:*

DM Measures  
Baseline Conditions & Global Elements  
Stages and Triggers



DM Policies and Programs (**future**)  
*DM measures become policies/programs:*

Technical, Economic, Financial Analysis  
Program/Policy Development  
Timeline

# What else is happening?



## Economic Impact Analysis of Demand Management

Impact of DM: direct and region-wide  
Quantify economic benefits  
GW modeling



## Feasibility Analysis of Selected Projects

Technical feasibility  
Economic feasibility  
Financial feasibility



## SVBGSA Funding Strategies

Regional strategy  
Planning level tool to evaluate alternative funding mechanisms

# SVBGSA DM Framework Outline

## SVBGSA Demand Management Framework

### SVBGSA DM Overview

- DM Definition
- DM Framework Overview
- Importance of DM in the SVBGSA
- DM and Projects

### SVBGSA Baseline Conditions

- Economic
- Demographic
- Groundwater
- Domestic

### DM Framework Global Elements

- Administration
- Economic & Financial Analysis
- Funding Strategy
- Measurement
- Accounting
- Monitoring and Enforcement

### DM Measures

- Agricultural
  - 6 measures: Feasibility, Implementation, and Costs
- Domestic
  - 4 measures: Feasibility, Implementation, and Costs

### Implementation & Activation Next Steps

- DM Workplans
- Project Planning

# SVBGSA DM Framework

## *Baseline Conditions*

# Baseline Conditions

- Current conditions set the foundation for the DM Framework
  - Water Use
    - Agriculture
    - Domestic
  - Agricultural Markets
    - Crop production
    - Value
    - Supply chain
  - Demographic Conditions
    - Communities
    - Labor
    - Income

# SVBGSA DM Framework

## *Global Elements*

# Global Elements

*DM Framework elements that would be developed for DM measures*

Administration

Economic  
Analysis

Funding  
Strategy

Measurement

Accounting

Monitoring /  
Enforcement

# SVBGSA DM Framework

## *DM Measures: Agriculture & Domestic*

# Demand Management Measures (Agriculture)

- 1. On-farm water conservation**  
Incentivize water conservation practices.
- 2. DM fee**  
Tiered pricing, acreage or other extraction fee.
- 3. Rotational fallowing / fallow bank program**  
Incentivize land idling / fallowing.
- 4. Land repurposing**  
Develop incentive-driven land repurposing opportunities.
- 5. Pumping limits**  
Develop groundwater allocation systems.
- 6. Penalty charges**  
Develop penalty system in relation to allocation system.

# Demand Management Measures (Domestic)

- 1. Education and Outreach**  
Provide residents with necessary resources to conserve water
- 2. Incentivized Conservation**  
Incentives and rebates for qualified domestic conservation measures
- 3. Mandatory Conservation**  
Requirements for landscape, appliance, and other domestic water uses
- 4. Water Pricing Mechanisms**  
Rebates, fees, and/or tiered pricing structures designed to incentive water conservation

# SVBGSA DM Framework

## *Stages and Triggers*

# Definitions

- **Stages.** Five stages were developed that define progressively worsening groundwater level conditions, corresponding to an increasing need for DM.
- **Triggers.** A trigger defines what stage each subbasin/aquifer/region is in based on groundwater conditions.

# Stages

Stage 0	<ul style="list-style-type: none"><li>• <i>Sustainable, with groundwater levels consistently at Measurable Objectives (MOs)</i></li></ul>
Stage 1	<ul style="list-style-type: none"><li>• <i>Close to sustainable, but not consistently at MOs</i></li></ul>
Stage 2	<ul style="list-style-type: none"><li>• <i>Undesirable Results (URs) in multiple years</i></li></ul>
Stage 3	<ul style="list-style-type: none"><li>• <i>At risk of being placed on probation</i></li></ul>
Stage 4	<ul style="list-style-type: none"><li>• <i>Likely be put in probation - consistent URs</i></li></ul>

# SVBGSA DM Framework

## *Implementation / Activation*

# What's Next?



## Projects and DM evaluation

Technical, economic, financial feasibility  
Cost-effective portfolio strategy  
GW modeling



## DM measure selection

Policies and programs  
Selected measures  
Support project portfolio strategy



## Parallel Workstreams

DM Economic Impact Analysis  
SVBGSA Funding Strategy  
Selected Project Feasibility Study (BGR Economic Feasibility)  
Other SVBGSA and M&A led efforts



## Discussion

Duncan MacEwan  
ERA Economics

Dave Ceppos

Abby Ostovar  
Montgomery & Associates

Piret Harmon

