

Modesto Means Business

Friday, July 25, 2025

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President & CEO

Trish Christensen

1114 J Street Modesto, CA 95354 (209) 577-5757 FAX (209) 577-2673

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Subject: Request for Clarification and Financial Equity in GSP Well Mitigation Plan

Dear GSA Representatives,

As a Modesto resident, a business owner of two locally based companies, and Chair of the Modesto Chamber of Commerce Water Committee, I am writing to affirm my support for groundwater sustainability while expressing serious concerns about the cost-sharing and implementation strategy currently under consideration for the well mitigation plan.

Commitment to Groundwater Sustainability

We are all legally obligated to address over-pumping in our subbasin. I fully support initiatives that reduce groundwater dependence in the Non-District East (NDE) and Stanislaus areas, including expanding access to surface water. The NDE area alone carries a water pumping deficit of approximately **65,000 acre-feet per year**, while no other regions within the GSA are in a serious deficit.

In contrast, both the **City of Modesto** and **MID** have independently invested **hundreds of millions of dollars** into groundwater recharge infrastructure and expanding surface water delivery systems. However, the current mitigation strategy appears to place a disproportionate **financial burden on the ratepayers of Modesto and MID**, both urban and agricultural, without offering adequate long-term reimbursement mechanisms for the entities funding these improvements.

Proposal for Equitable Cost Recovery

To ensure fairness, I recommend that GSA partners assist NDE and Stanislaus with infrastructure development **on a reimbursable basis**. These areas should commit to repaying the investment over a 10–20 year period through increased water fees or special assessments. This model reflects a shared commitment to groundwater sustainability while promoting fiscal responsibility across all stakeholders.

Critical Economic Context

Land Value Appreciation: NDE landowners originally acquired grazing lands—without surface water access at relatively low costs (currently estimated at \$2,500 to \$3,500 per acre). These lands have since been converted into irrigated farms and are now currently valued at \$8,000 to \$14,000 per acre. With surface water access, their value could rise to current values \$28,000–\$32,000 per acre, representing **a total increase of \$150M**–**\$199M** across approximately 11,000 acres.









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1114 J Street Modesto, CA 95354 (209) 577-5757 FAX (209) 577-2673 Cost Disparity Among Stakeholders: In contrast, landowners within MID and OID paid market premiums for farmland with access to surface water, current costs at \$28,000 to \$32,000 per acre. These farmers have also consistently paid higher rates for surface water delivery. Shifting the cost burden to them now so NDE can reap long-term land value gains is inequitable and undermines decades of responsible water planning and investment.

Lack of Comparable Investment by NDE: What tangible investments have Stanislaus County or NDE made in securing or expanding surface water access over the past decade? To my knowledge, there have been no significant infrastructure, recycling, or recharge projects initiated in those areas.

Questions Requiring Immediate Clarification

To ensure transparency and informed decision-making, I respectfully request responses to the following:

- 1. What is the total estimated cost of this mitigation plan to Modesto residents and MID ratepayers?
- 2. Why was the "Overlying Area" cost-sharing approach selected instead of the more logical "Developed Area" method?
- 3. Why are unused allocations redistributed at a 2:1 ratio between Modesto and NDE, when the original allocation ratio is closer to 3.5:1?
- 4. What repayment mechanisms are being proposed if NDE and Stanislaus County reimburse other GSA partners who cover infrastructure costs?
- 5. Can MID reduce deep well groundwater pumping in normal or wet years to assist with mitigation?
- 6. Why isn't the County requiring NDE to purchase surface water immediately from OID or MID at \$200/acre-foot as a mitigation step?

Call for Collaborative Dialogue

At the last MID meeting, John Duarte expressed concerns that this plan could put him and other farmers out of business. As a fellow business owner, I empathize with the economic pressures we all face. However, we must adopt **solutions that are equitable**, **data-driven**, **and fair to all GSA participants**.









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1114 J Street Modesto, CA 95354 (209) 577-5757 FAX (209) 577-2673 Accordingly, I respectfully request an urgent meeting at the **Modesto Chamber of Commerce** with our **executive team**, myself, and key GSA stakeholders prior to any vote on this matter. At a minimum, I request the participation of:

·MID Director Janice Keating, representing my district

·Supervisor Mani Grewal, representing my district

·Councilman Nick Bavaro, representing my district

·Mayor Sue Zwahlen, City of Modesto

·Eric Thorburn, Chair of the GSA

·CEO Jody Hayes, Stanislaus County

I believe that with transparency and good faith, we can reach a balanced path forward that secures Modesto's water future while honoring the investments of all stakeholders.

Sincerely,

Trish Christensen, ACE
President & CEO

A Program of the

Modesto Chamber of Commerce

Modesto Chamber of Commerce

Michael Moradian 1015 Edgebrook Drive

Chair, Modesto Chamber of Commerce Water Committee

cc: Modesto Chamber of Commerce Executive Team

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