Department of Environmental Health

Report to the Board of Supervisors and the Community on

Eye Gnat Intervention Options and a Recommended Program

Summary

On November 9, 2011, the Board of Supervisors directed the Chief Administrative Officer to work with San Diego Farm Bureau and interested parties to develop a "tougher" strategy to lessen the adverse community impact of eye gnats and develop options for consideration by the Board of Supervisors. The CAO assigned the Department of Environmental Health (DEH) to conduct this process. DEH assembled an "Eye Gnat Intervention Working Group" (EGIWG) to provide perspective, recommendations, advice and feedback. Farmers, Farm Bureau representatives, and community members participated, along with the Farm and Home Advisor (FHA), the Directors of DEH and the Department of Agriculture, Weights and Measures (AWM), DEH Vector Control Program staff, and legal counsel for the County. See Attachment 1 for participants and their affiliations.

The EGIWG discussed options previously identified by members of the Board of Supervisors as well as all ideas presented by participants prior to the end of the last EGIWG meeting. Some additional ideas that were offered only after group meetings had concluded are also discussed in this report. The group discussed impacts on communities, program funding, legal authority, effectiveness, fairness, costs, acceptability, the appropriate role of government, and all other concerns raised by participants. Participants were frank, open minded, courteous, hard working, and determined to jointly address this problem. The County participants in this process greatly appreciate the service of the external EGIWG participants.

The EGIWG achieved consensus on some issues and procedures, but participants ultimately disagreed on some key points. Participant positions that influenced the recommendations in this report included the following:

- There was agreement that eye gnats are a problem that needs a County-wide solution, and that the solution should be based on state law vector control powers and access to Vector Control Program funding.

- There was agreement that eye gnats are a tough technical problem that needs a better technical solution, and that a technical solution is within reach. In the near term, better solutions are limited by our current inadequate knowledge. But there is great potential for further scientific research to identify better eye gnat abatement control strategies. There was agreement that the County should help to fund that research.

- There was agreement that farmers should be good neighbors and that farmers should get a fair opportunity to address their eye gnat problems voluntarily before facing mandatory orders or

financial penalties. But there was no final consensus on what a fair opportunity should include, or on how to resolve conflicts between farmers and communities if those conflicts do not have a technical solution.

- There was agreement that the Vector Control Program should supplement farmers' efforts by addressing other sources of eye gnats that contribute to a community nuisance. There was agreement at a technical level that communities could contribute to resolving a problem if they were receptive to off-farm abatement measures, but there was no consensus on what communities should be asked to do, or on who should pay for off-farm abatement measures.

- The group discussed at length what should be done, and how quickly, if the combined efforts of farmers and the Vector Control Program do not resolve a community nuisance. Should organic operations be restricted to protect the community? Or should farmers be allowed to continue organic farming if their eye gnat abatement measures were highly effective? Not surprisingly, there was no consensus on which interests should have priority in intractable cases. There was however detailed pragmatic discussions of procedures for addressing these potential conflicts.

- There was agreement that a balanced Eye Gnat Abatement Appeals Board should play a significant role in protecting farmers from overzealous regulation, and in protecting communities from eye gnat nuisances. There was not agreement on how this board should be formed or what powers it should have.

Concurrent with the work of the EGIWG, work has been completed to ensure further significant enhancements to the eye gnat control strategies that have been in use at the Bornt farm in Jacumba. Progress has also been made toward getting an initial eye gnat abatement plan in place for the Be Wise Ranch in the City of San Diego. The Farm Bureau and Farm and Home Advisor assisted on these matters.

Introduction

This report presents a proposed program to toughen the County's current eye gnat abatement efforts, as directed by the Board. The program builds on but goes beyond the limited consensus achieved in the EGIWG process. The proposed program would begin with the ordinance proposed alongside and explained within this report. Adoption of that ordinance would allow the Vector Control Program to ensure that robust eye gnat prevention plans are in place in 2012 at the Bornt Farm in Jacumba and at the Be Wise Ranch in the City of San Diego's San Pasqual Valley Agricultural Preserve. Whether these robust plans are put in place voluntarily to make an order unnecessary, or are put in place by a DEH order, the affected communities will benefit. The Vector Control Program would also look at other potential sources of eye gnats that could be affecting the communities near the Be Wise Ranch, and the program would gain the regulatory authority necessary to address those sources. The Vector Control Program would also supplement on-farm eye gnat prevention and trapping with additional off-farm control measures. Off site control measures should focus on reducing eye gnats from all significant sources affecting the community. The policy should be to reduce the eye gnat problem with a comprehensive community-wide program.

Further steps will be needed to fully implement the proposed program, including the appointment of Eye Gnat Abatement Appeals Board members, the commitment of funds for further research, and incorporation of an eye gnat program into the Special Benefit Assessment Engineer's Report and Vector Control Program plan when those matters come before the Board of Supervisors in July 2012.

Additional detail follows, beginning with background information, then a topic-by-topic summary of the basis for the key decisions that underlie the proposed program, and concluding with additional information on EGIWG participant consensus with this report.

Background

Eye gnats are tiny insects that breed in a variety of settings from wilderness areas to irrigated agriculture in the warmer climates of the United States. Eye gnats are attracted to the eyes, noses and mouths of people and animals, seeking a protein source.

Farming practices and community complaints

Eye gnats are endemic in San Diego County, and were present in Jacumba and in the San Pasqual Valley prior to the introduction of large scale organic farming to those areas. However, certain farming operations can dramatically increase eye gnat breeding and create a community nuisance. Community representatives told the EGWIG that the intensity of eye gnats in their communities had increased as a result of nearby large scale organic farming.

Organic farms have a greater potential to breed eye gnats than other farms because organic farms cannot use traditional pesticides, and because vegetation turned back into the soil provides nutrients to the soil and developing eye gnat larvae. Of the 344 organic farms currently operating in San Diego County only two organic farms-- the 500 acre Bornt Farm in Jacumba, and the 220 acre Be Wise Ranch in the San Pasqual Valley --have caused significant numbers of complaints to the County about the impacts of eye gnats on nearby communities.

Since 2003, the County has received complaints from Jacumba residents complaining that eye gnats breeding on the Bornt Farm, which grows primarily lettuce and spinach, have been negatively impacting their quality of life and preventing normal outside activities.

The Be Wise Ranch grows tomatoes, strawberries, lettuce, carrots and seasonal crops. The County has received complaints of eye gnats from the South Escondido/San Diego area since 2007; with residents complaining that eye gnats interfere with their quality of life, preventing outside activities and social interaction. Representatives to the EGWIG from both areas state that eye gnat impacts have severely decreased property values. Be Wise Ranch provided the EGWIG a letter from another resident stating that there no more nor less eye gnats now than 28 years ago.

Nuisance definitions and impacts

Under state law and the County Code, a vector nuisance exists on any land that has been altered from its natural state so that it supports the development, attraction or harborage of vectors. Community impacts are therefore not a legal prerequisite for regulatory action where state vector control law authority is applicable. But State vector control law authority is exercised at the option of the Board of Supervisors. That authority is not currently applicable to eye gnats in San Diego County because eye gnats are "by definition" not vectors under the current County Code.

In this report, the term "community nuisance" is used to distinguish the state vector control law "development, attraction or harborage" standard for a "vector nuisance" from an impact-based standard, i.e., from a condition that significantly affects a community. For descriptive purposes only, eye gnats can be a community nuisance when they are present frequently enough and in significant enough numbers that their repeated swarming and feeding on humans interferes with outdoor activities. Impacts are on a continuum related to numbers, and tolerance of impacts is typically related to duration and frequency as well as severity. There is no bright line to define when accumulated personal annoyance becomes a community nuisance that should be addressed through regulatory compulsion. Drawing that line for regulatory purpose is even more difficult when eliminating a community nuisance is not easily achieved, which is the situation with large commercial organic farms located near communities today.

The direct impacts of eye gnats on outdoor activities can in turn cause economic impacts, including reduced property values, reduced tourism, lost jobs, lost tax revenues and lost revenues for business that have an outdoor component. Two participants of the EGIWG provided information on efforts to quantify these economic impacts; see Attachments 2 and 3.

County responses to eye gnat complaints

In 2008, Supervisor Jacob began a series of community meetings in Jacumba. As a result of the community meetings a team approach was developed with the Department of Environmental Health, the Department of Agriculture Weights and Measures and the Farm and Home Advisor. With very little known about the prevention or control of eye gnats, the Farm and Home Advisor began research on measures that the farm could put into place to prevent and control eye gnats.

In 2010, the Department of Environmental Health, Vector Control Program sought a voluntary agreement with the farm. The agreement included Best Management Practices (BMPs) demonstrated to be effective for eye gnat control and prevention. DEH conducted weekly inspections since 2010 during the eye gnat season which is typically from March through October.

The following BMPs have been utilized to prevent and control eye gnats on the Bornt organic farm:

- Mass trapping of eye gnats on the farm
    - The farm has installed 2,000 traps on the farm.

    - DEH has installed 22 monitoring traps in the community.

- Installation of barrier cloth, (a minimum of 36 inches in height) at the property boundary between farm and community
- Planting of buffer crop with application of conventional pesticides to buffer crops only
- Elimination of tilling fresh organic material (weeds and crop stubble) into soil
- Implementation of a dry period (disruption of production crops for six weeks, commence upon harvest of crops) to disrupt the breeding cycle of the gnat.

While there has been a significant reduction in the number of eye gnats caught in traps, eye gnats are still adversely affecting the community.

Since 2008 DEH has seen a reduction of eye gnats collected in traps as a result of the prevention measures. There have been lapses in compliance with the voluntary Eye Gnat Prevention Plan. In addition, a summer rain storm in 2011 may have reduced the effectiveness of the dry period implemented by the farm. Resident complaints continued at an average of 40 complaints per week from July 2011 to October 2011, during the height of the eye gnat season.

County responses at the Be Wise Ranch have not advanced as far as at the Bornt Farm. As discussed earlier, the County does not currently have vector control program regulatory authority over eye gnats, and has no other applicable legal authority within the City of San Diego. In addition, until recently this farmer resisted DEH efforts to intervene. In 2010 FHA conducted research in the Escondido area testing different properties to determine the source or sources of the eye gnats. Research determined that properties other than the organic farm were not a significant source of eye gnats. At that time in 2010, the organic farm refused access to FHA and DEH.

In 2011 this farmer began working with the FHA to develop an eye gnat abatement plan. The elements of that plan have not been fully determined. The farmer stated in EGIWG meetings that some specific measures would be implemented in 2012, whether an ordinance is enacted or not. However, the contents of this plan could still depend in part on whether the County Vector Control Program is given regulatory authority over eye gnats through enactment of the ordinance proposed with this report. This farmer stated that he was not willing to invest $100,000 for a six foot fence to be installed on his property if it looked like the proposed ordinance would put him out of business. This farmer is concerned because the ordinance does not provide a clear standard for success that would protect a farmer against restrictions on continued organic farming operations if neighbors continued to complain. However, the ordinance attempts to provide that standard by restricting abatement orders if a continuing community nuisance cannot be confirmed by the Director.

<u>The EGIWG Process</u>

Starting with the first meeting on November 30, 2011, the EGIWG met five times. In each of those meetings, the EGIWG worked with a facilitator. In later meetings, the EGIWG directly reviewed the

materials DEH proposed to provide to the Board of Supervisors, including drafts of an ordinance and of this report.

EGIWG participants initially agreed on basic principles and program elements then discussed specifics and tradeoffs at length. EGIWG participants agreed that eye gnats from farms can be a community problem, that County involvement is necessary, and that any enhanced program should be applicable in both the unincorporated and incorporated areas of the County. Participants agreed that adequate funding for County oversight was essential and over time also agreed that more research was needed and would need to be funded. All of these considerations pointed to a County ordinance to reclaim state vector control program powers. Farm representatives were concerned about that key regulatory decision, but no viable alternatives were identified. Instead, procedural and substantive limitations on County regulatory powers were discussed at length.

Participants initially agreed that the County should not be able to require organic farmers to use conventional pesticides that would destroy an organic farmer's organic certification, and that the County should not be able to order a farm to cut back on production or to close. But further discussion of what the County should and should not be able to require were inconclusive, and in later meetings this consensus broke down, with community representatives arguing that communities should not be left to suffer indefinitely, and farm interests stating that they could not give their assent to a program that had the potential to require that farms cease operations. Based on these discussions the Director decided to add a procedure that would allow the County to order production cutbacks, pesticide use, or cessation of organic farming to protect a community, but only if (1) other on-farm options had been exhausted, (2) significant off-farm sources of eye gnats had been addressed, (3) the County requested concurrence in an extraordinary order from the Eye Gnat Abatement Appeals Board, and (4) that Board agreed that the proposed order was necessary. Farm, Farm Bureau and advisor participants disagreed with the Director's decision. The Be Wise Ranch farmer later proposed that any extraordinary order of this kind should be appealable to the Board of Supervisors.

EGIWG participants agreed that farmers should have a reasonable opportunity to address eye gnat problems with voluntary measures, developed with the assistance of the Farm and Home Advisor (FHA), before any regulatory orders were imposed. The EGIWG spent much of its time discussing how a "voluntary" plan process could be implemented without wasting time and losing focus on community problems, and on when voluntary efforts should be supplanted with regulatory orders. The consensus that emerged is a complex procedure captured in the ordinance proposed to the Board of Supervisors with this report. The basic features of the compromise are an opportunity for voluntary measures if they are sufficient, a rule-based transition to regulatory orders, and a limitation of regulatory orders to only include proven eye gnat abatement measures.

The group discussed specific BMPs, in part to determine whether existing eye gnat abatement measures could resolve community problems. The Farm and Home Advisor provided substantial expert input on this issue and presented the following initial list of measures for consideration:

1. No-till or restricted-till practices for crop residues and weeds

2. Use of organic pesticides
3. Trapping both on and off the farm
4. Fallow periods or non-irrigated periods
5. Barrier crops
6. Flight barriers
7. Soil covers
8. Fertilizer selection

The group reached agreement on procedures for qualifying these and other eye gnat abatement measures for use in mandatory orders. The same procedures will be used to identify off-farm eye gnat abatement measures that are likely to be effective.

The consensus was that existing proven measures could substantially abate eye gnat problems, but could not ensure the elimination of community nuisances. There was also agreement that additional research on eye gnat abatement measures was necessary, and had very promising prospects. The EGIWG would like the Board of Supervisors to *Find* that this further research is needed, and to direct that Vector Control Program Benefit Assessment funds be made available to fund research. This research would not be limited to field testing eye gnat abatement measures at these two organic farms, but could include scientific research in University facilities.

The EGIWG discussed off-farm sources of eye gnats and off-farm control measures at length. Be Wise Ranch argued that off-farms sources of eye gnats were a significant cause of the community complaints near that farm, and also asserted that experience in the Coachella Valley with off-farm trapping showed that off-farm control measures should be a preferred method of eye gnat abatement. In addition, DEH recognized that any eye gnat program addressing community nuisance conditions should consider significant sources of eye gnats other than commercial organic farms. DEH arranged for a group telephone conference with officials from the Coachella Valley Vector Control District eye gnat program, and learned that changes in farm irrigation practices and in farm locations were likely more important factors in reducing eye gnat complaints in that community than the limited ongoing trapping still being done by that District. The EGIWG concluded that farm-focused voluntary plans and abatement orders should be supplemented by County action to understand and address non-farm eye gnat sources that contribute to a community nuisance near a commercial organic farm. The ordinance proposed today implements that conclusion. A community-wide solution is important and funding is necessary for research and implementation.

The EGIWG also discussed preferred roles for the FHA, DEH, and AWM in implementing an eye gnat abatement program. There was universal agreement that the FHA should remain in a non-regulatory advisory role, advising both farmers and the County, and in a research role. Farm representatives expressed interest in having County staff knowledgeable about farming play a key role in implementing this program. The proposed ordinance would allow the Directors of DEH and AWM to work out delegations of work in the program and funding transfers.

Findings and Recommendations:

After reviewing and analyzing Board member suggestions and other conceptual models brought forward by EGIWG, and taking the positions and concerns of EGIWG participants into account, the Director of DEH reached the conclusions set out below. These conclusions are incorporated into the ordinance presented to the Board of Supervisors with this report.

1. Additional research

   The EGIWG did not identify an available complete near term technical solution to the eye gnat problems that some communities are experiencing. According to residents, despite effort by the farmer using methods that evolved from two plus years of research conducted in Jacumba, community nuisance conditions still exist. The EGIWG concluded that currently known organic farming compatible eye gnat abatement measures may not fully resolve these problems in 2012 or 2013. However, there are great prospects for further research to identify additional effective technical solutions to abate eye gnats.

   Recommendation: Find that further research is needed to identify additional effective eye gnat control measures. Authorize the use of Vector Control Program funds for that purpose.

2. Definition of a Vector

   The County does not exercise the authority available under state law to regulate eye gnats as a vector. Therefore, DEH cannot issue orders to organic farmers to control eye gnats, and cannot continue its current level of effort to work with the Farm and Home Advisor, farmers and communities unless Vector Control Program funds can be used. Clear regulatory authority to issue abatement orders would encourage further voluntary efforts by farmers.

   Recommendation: Revise Chapter 2 of Division 4 of Title 6 of the County Code to bring eye gnats into the County's Vector Control Program.

3. County of San Diego Eye Gnat Program

   EGIWG discussions addressed procedures and standards to mediate the rights and interests of communities and commercial organic farmers where eye gnats cause a community nuisance. The group consensus was incomplete, but the basic features of an ordinance were identified in these discussions. Farmers would have the opportunity to voluntarily address problems without a regulatory order, but only if their efforts were prompt and serious. Abatement orders could be issued, but only for eye gnat abatement measures that were proven, applicable to and compatible with the specific organic farm, and practicable. Where a community nuisance could not be resolved within these constraints, an Eye Gnat Abatement Appeals Board (see item 4 below) could authorize additional measures. Another important part of this program would be the Vector Control Program's work to address off-farm sources of eye gnats affecting a community.

Recommendation: Add Chapter 4 to Division 4 of Title 6 of the County Code to implement a County eye gnat abatement program for commercial organic farms.

4. Appeals Board

Administrative appeals of orders issued under the County Code are typically heard by a County hearing officer, assigned in rotation from a panel. However, in the similar context of egg ranch fly breeding nuisances, the Fly Abatement and Appeals Board (FAAB) hears disagreements over control plans and DEH orders. The FAAB board includes poultry ranchers, community members (one of which is a business owner) and a graduate in biological or environmental health sciences and knowledgeable in fly control procedures. Farming interests on the EGIWG liked that model; however, community interests were not in full support. Creating an Eye Gnat Abatement Appeals Board also provides a means for advisory reviews of proposed voluntary plans, and for validating any County determination that an order that would limit or prohibit continuation of an organic farming operation was necessary to adequately protect a community. (See item 6 below.)

Recommendation: Establish a new Eye Gnat Abatement Appeals Board (EGAAB). The formation and powers of the proposed board are described in the ordinance submitted with this report. Appointments would follow if that ordinance is adopted.

5. Eye Gnat Abatement Measures

EGIWG participants reached agreement that more research was needed to develop better on-farm and off-farm eye gnat abatement measures (see item 1 above), and also that County abatement orders and Vector Control Program spending for off-farm abatement should normally be limited to measures that had been shown to be effective. However, research into eye gnat abatement measures is still so incomplete that academic peer review has gaps, and on-farm experience is limited.

Recommendation: Use a quasi-peer review interview process to test recommendations by the FHA that specific eye gnat abatement measures are effective. Only allow peer-reviewed measures and measures "validated" in this way to be used in mandatory abatement orders. Retain discretion for the Director to determine when "validated" measures should be used at a particular farm.

6. Community Protection

Restrictions on abatement orders to protect the continued operation and the organic certification of farms have the potential to leave community nuisances only partially abated. Community EGIWG participants felt that if an organic farmer was unable or unwilling to adequately abate eye gnats while maintaining the farmer's desired scale of organic operations, appropriate protection of the community should have a higher priority than continued

unrestricted organic farming at that location. That idea was further developed in the group, but ultimately was not supported by farming, Farm Bureau and advisor participants. To partially bridge that gap, the ordinance provides that abatement orders that would scale back or prohibit continued organic farming operations could only be issued with the concurrence of the Eye Gnat Abatement Appeals Board.

Recommendation: When necessary, allow the Director to propose abatement orders that would limit continued organic farming operations to the Eye Gnat Abatement Appeals Board for concurrence.

7. Implementing Department(s)

The Board of Supervisor delegated implementation and enforcement duties of a Vector Control Program to DEH decades ago, so DEH has long experience in vector control. DEH also has an eye gnat history with the Bornt Farm. However, DEH has no other experience regulating farms. AWM understands farms and agriculture practices, understands the control of crop pests, understands organic certifications, and already conducts various inspections on commercial farms. AWM has no experience with eye gnats, yet. Farm representatives on the EGIWG expressed a preference for working with AWM on regulatory programs. Community members had no objections. Having AWM implement the eye gnat program on commercial farms could eliminate multiple inspectors from visiting the site, would add greater awareness of restrictions placed on a farmer to maintain their organic certification, and would take advantage of AWM staff understanding of agriculture industry and farming practices.

Recommendation: Provide for delegation of powers and responsibilities for vector control from the DEH to the Director of AWM with the limitation that such delegation must be related to agricultural operations or to eye gnats generally. Any such delegation of authority shall be accompanied with funds to support agreed control activities that are not supported by fees or charges.

8. Mass trapping in the community and other off-farm control measures

Trapping is a proven eye gnat abatement measure on farms where eye gnats develop, between farms and communities, and in communities. Be Wise Ranch initially favored mass trapping on the farm and in the surrounding community as the only appropriate eye gnat abatement measure for that farm. Community representatives from that area and Jacumba responded that their properties were not the source of the nuisance conditions they were experiencing, and expressed concerns that traps were unsightly, would smell, would attract eye gnats, and would reduce real estate values. These representatives were more willing to accept trapping in the community on a transitional rather than a permanent basis. There was a group consensus that some off-farm abatement measures could be used in conjunction with efforts by farmers to abate eye gnat nuisances more quickly and effectively.

Recommendation: Authorize DEH to require farmers to trap, on and off farm, and to require farmers to implement other off-farm eye gnat abatement measures. At the same time, authorize DEH to expend vector control funds for off-farm trapping and other off-farm eye gnat abatement measures. Recognize that the owners of properties that are not eye gnat nuisances cannot be required to accept traps.

9. Net Swipes and other community evidence of nuisance conditions

   Trap counts in Jacumba over time have shown more than a 99% reduction in eye gnats in monitoring traps, but the community still reports nuisance impacts. Jacumba representatives proposed that in addition to monitoring traps, DEH use a parallel "net swipe" method as a tool that can be used to help assess nuisance abatement levels of the eye gnats in correlation to eye gnat counts in monitoring traps. The County cannot directly collect data using net swipes near human subject, because mandatory protocols applicable to government collection of data using human subjects could not be satisfied, but those protocols would not apply to data submitted by a resident.

   Recommendation: DEH will accept net swipe data and photographs that a specified resident has witnessed, and can authenticate and date, as evidence of community conditions.

10. Funding

    Enactment of the ordinance proposed with this report would enable DEH to continue to use Vector Control Program funds to address eye gnat issues at the Bornt Farm and Be Wise Ranch, including providing support for FHA costs incurred to field-test eye gnat abatement measures at those farms. But additional research is needed to develop and validate better eye gnat abatement measures.

    Recommendation: DEH will include information and costs, including research costs, for the Eye Gnat Program in the Annual Benefit Assessment submitted to the Board in July 2012.

Consensus and Public Comment Processes

The EGIWG is not an advisory body to the Board of Supervisors, and its meetings were not subject to the Brown Act. Although the EGIWG achieved a degree of consensus on some issues and procedures, the recommendations in this report are recommendations of the Director of DEH, not the EGIWG. The County Agriculture Commissioner, in consideration of her responsibility to protect the agriculture industry while also protecting public welfare, expressly concurs in these recommendations.

The ordinance presented today was reviewed by the EGIWG and revised to achieve a consensus text to the extent possible. Farm, Farm Bureau, community and advisor participants all had unresolved objections to the proposed ordinance as described below.

EGIWG participants were also provided the opportunity to express concurring or dissenting views on this report, in writing. Selected dissenting positions provided to DEH prior to the completion of this report

are summarized below. The positions summarized are those that were most strongly held, or that proposed options for implementing this program that the Board of Supervisors might want to consider. Dissenting statements submitted after the completion of this report in its final form are provided at Attachment 4.

Dissenting Views:

Eye Gnat Abatement Appeals Board membership:

- Jacumba community participants stated "non-negotiable" demands that they be allowed to prescreen candidates for the Eye Gnat Abatement Appeals Board prior to the consideration of candidates by the Board of Supervisors. They also demanded that the ordinance be amended to further restrict the qualifying criteria for the one member of the Eye Gnat Abatement Appeals Board who would be a graduate in biological or environmental health sciences and not associated with DEH or any commercial organic farm. The non-negotiable additional restrictions were that this member not be associated with "standard farming, organic farms or organic gardening in any way including blogging or writing about organic produce or farming or providing services to organic farms." These participants expressly requested that these demands be included in this report.

Eye Gnat Abatement Appeals Board Powers:

- Jacumba community participants disagreed with requiring the concurrence of the Eye Gnat Abatement Appeals Board before the Director could issue an order that required the use of pesticides or that restricted the size of the continued operation of an organic farm. These participants want the Director to be the final and absolute authority over such orders.

- The Be Wise Ranch farmer and San Diego Farm Bureau participants disagreed with any order and appeal process that could force a farm to close.

- The Be Wise Ranch farmer proposed that any order requiring the use of pesticides or restricting the size or continued operation of an organic farm be subsequently appealable to the Board of Supervisors.

Petitions for Advisory Opinions of the Eye Gnat Abatement Appeals Board

- Escondido community participants disagreed with the inclusion of an advisory opinion petition process to address disputes over voluntary plans. These participants are concerned that this additional process could delay the implementation of eye gnat abatement measures.

Abatement Order Timing

- Jacumba community participants proposed that the Bornt Farm be placed under a mandatory abatement order immediately, because that farm has already been operating under a voluntary plan for two years.

Conclusion

The EGIWG process has enabled DEH to propose an eye gnat abatement program for implementation as soon as a new ordinance can take effect. The consensus achieved within the EGIWG was not complete, and community members who were not involved in the give and take of the EGIWG process may not be satisfied with the proposed program. Farm interests expressed reservations from the opposite direction, about the possibility of extraordinary abatement orders. But there was broad agreement in the EGIWG about the need for more research, about triggering state law vector control powers and accessing vector control program funding, and about the validation of abatement measures before incorporation into orders. These are the core elements of the proposed program. The disagreements in the EGIWG were about timing issues, transitions, and appeals processes—not about the need for this program or what its basic elements should be.

Action by the Board of Supervisors now would make a difference in Jacumba and in the communities near the Be Wise Ranch in 2012, and a further difference in 2013. If the ordinance proposed today is adopted, DEH and AWM will get strong plans in place at these two farms, either voluntarily or with an order or orders if necessary. We are optimistic that eye gnat abatement measures that will be implemented at the Bornt farm in 2012 will result in a further substantial decrease in eye gnat development and migration from the farm. Serious efforts to control eye gnats associated with the Be Wise Ranch will also begin in 2012. The Vector Control Program would also work with the FHA to develop a plan for addressing other potential sources of eye gnats that could be affecting the Escondido community, and the ordinance would provide the regulatory authority to address those sources. We would also look at the potential benefits of supplementing on-farm prevention and trapping with additional off-farm trapping. These coordinated efforts would provide significant relief to the communities near this farm.

If this approach is approved, County staff would be back in July 2012, to incorporate an eye gnat program into the Engineer's Report for the Vector Control Program. That program would include an expanded research agenda and consideration of a proposal for funding.

Attachment 1

Eye Gnat Intervention Working Group Participants

Position	Name
Chair County Staff	Jack Miller, Director - Chair Department of Environmental Health
Jacumba Representative	Danielle Cook
Jacumba Representative	Bill Dennett
Escondido Representative	Cindy Morriss
Escondido Representative	Dr. Larry Michel
Advisory	Nan Sterman
Farmer Representative	Alan Bornt
Farmer Representative	Bill Brammer
Farm Bureau	Eric Larson, Executive Director
Farmer Bureau	Al Stehly, Member
Farm and Home Advisor	Val Mellano, Advisor
Farm and Home Advisor	Jim Bethke, Advisor
County Staff	Lisa Leondis, Director/Ag. Commissioner Department of Agriculture, Weights and Measures
County Staff	Rebecca Lafreniere, Chief Department of Environmental Health
County Staff	Chris Conlan, Supervising Vector Ecologist Department of Environmental Health
County Staff	Sharon Untiedt, Environmental Health Specialist III Department of Environmental Health
County Staff	Rodney Lorang, Senior Deputy County Counsel County Counsel

Attachment 2

In the Escondido area, decreases in "average" home sales prices between 2010 and December 2011 were compared for 410 homes in close proximity to a portion of Be Wise Ranch, and for the larger 92025 zip code that includes those homes. The difference in average selling price decreases over this period is potentially a good proxy for an economic impact from eye gnats, because during this period realtors reportedly began disclosing that homes near Be Wise Ranch were affected by eye gnats. This "defect" was reportedly not disclosed for similar homes in the rest of the zip code. Based on this analysis, the additional lost equity for the 410 homes over this one period, compared to the larger zip code, was estimated to be more than $17 million. This should be a one-time total loss, not an annual loss, but it is still a large number. The concern is that this number could continue to rise if the eye gnat problem is not abated.

Submitted by:

Cindy Morriss, Escondido Representative

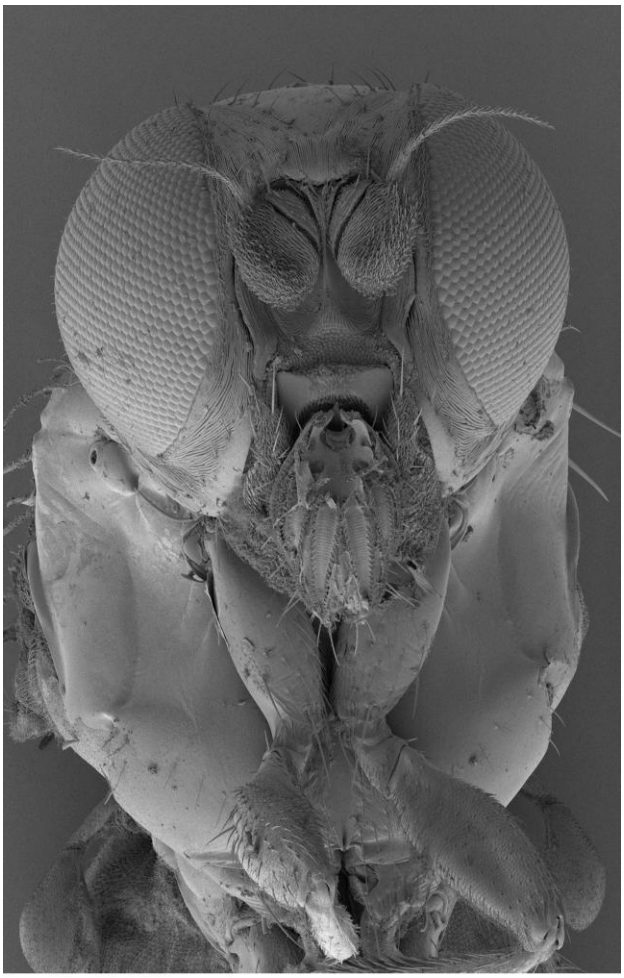
Eye Gnat Intervention Work Group

January 17, 2012

Jacumba California

. . .and the economic impact of non-ambient populations of eye gnats [*Liohippelates*] on the community

Danielle Cook-January 15, 2012



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SUMMARY OVERVIEW

The Bornt Family Farms eye gnat infestation quality of life impacts have been documented for years via written and verbal complaints to San Diego County Supervisor Jacob's office and Vector control. These complaints have come from residents, business owners, property owners, visitors, realtors and even the Superintendent of the Mountain Empire school district. We will continue to document and report any continuing issues in 2012.

This briefing was written to quantify the economic damage to the Jacumba community, a much more difficult task. Our situation is far different from our fellow sufferers in Escondido. Unlike them, our population is much smaller; our community is poorer, more rural and heavily dependent upon tourism for economic viability. We also have experienced two years of County sponsored abatement efforts which have been un-successful in mitigating the nuisance factor.

To gauge the economic damage suffered, and the potential economic devastation to come, one must also look beyond real estate values and look at how the non-ambient levels of eye gnats have interfered with and will continue to interfere with our ability to attract tourists and recreational visitors. These issues are intertwined.

To fully understand our situation, it is important to look at the history of Jacumba and its past role as a major tourism destination. We must also acknowledge where we are today and where we are going. This briefing covers all this plus looks at the economic damage from different perspectives.

TIME-LINE OF PERTINENT EVENTS

1857 Rancher Peter Larkin was stage manager >>> **1907 Hausslers** open general store >>> >>>**1919 rail lines completed** and **Bert Vaughn** purchases town>>>**1925 Vaughn's hotel** opens >>>**1920's Hollywood discovers Jacumba** and town swells to 5,000 inhabitants >>>**1927 Cattle ranch established where Bornt farms is now** >>>**1999 Bornt begins farming 150 acres** >>>**2001? Bornt expands** >>>**2003 Jacumba residents started noticing non-ambient levels of eye gnats** (by then populations are out of control)>>> **2004 petition** to Dianne Jacob to do something>>>**2007 although it is evident** to Jacumba residents that the farm is the cause (and Bornt has quietly initiated eye gnat abatement attempts on his own), he is in denial to the community. A County Department of Agriculture employee even suggests that it is not the farm but rather "it's the way you people live" [his words as reported by a Jacumba community leader who was present]>>>**2008 Jim Bethke** (UC Riverside entomologist) gets involved with Vector Controland points to Bornt Farms as primary cause on non-ambient eye gnat population >>>**2009** getting no relief, fed up Jacumba residents petition for a **Grand Jury hearing** >>>**October 2009, Supervisors weaken the County ordinance so that eye gnats producing human nuisance or injury are no longer considered a vector** as they described in the state version California Health and Safety code 2002 (k) >>>**2010 Grand Jury convenes** April 18th and declares the eye gnats to be a nuisance and recommends the Director of Environmental Health include and designate the eye gnats as a priority in the efforts of the Community Health division's Vector Control Program >>>**2009 Cultural abatement practices** begin to be implemented for part of year on Bornt Farms >>>**2010 first full year of** Abatement Plan on Bornt Farms has improved quality of life results although Bornt is not fully compliant-however, improvements still needed>>>**2011Year TWO of plan. This plan was a weakened version of 2010 Plan. It was a failure with a significant resurgence of gnats** and additional non-compliance by Bornt. Fed-up Jacumba residents picket the farm and take fight to the media >>>**November 9th 2011** San Diego County Supervisors direct the Chief Administrative Officer to work with the Farm Bureau and other interested parties and return in 90 days with recommendations outlining an approach that would address the eye gnat problem>>>**November 2011**-Eye Gnat Task Force has first meeting.

HISTORY OF JACUMBA HOT SPRINGS COMMUNITY

Jacumba, situated on Old Highway 80 at an elevation of 2800 feet and just a little over 70 miles east of San Diego, has long been a recreation destination. In the ancient days, the Native American Kummayaay people gathered here to socialize, mingle with sister tribes and 'take the waters'. Their artifacts, including morteros (depressions in boulders used by Kumayaay to grind acorns) and pictographs can still be seen today. In the 1800's, various cattle ranchers cycled through, but the first permanent white settler was rancher Peter Larkin who settled around 1868. The actual town didn't really begin until around 1907 when Jack and Grace Hauessler arrived and opened a general store. Later, in 1915, they also opened a post office. More development occurred upon completion of the rail lines in 1919. Entrepreneur Bert Vaughn purchased the town in 1919 and built the fancy Vaughn Hotel which opened in June of 1925. He also built the 70 foot high stone Desert View towers, a still popular tourist stop for travelers driving down Interstate 8 near the steep and boulder strewn Mountain Springs grade.

The regular rail service through the area, plus the newly opened luxury hotel brought many visitors to Jacumba, including famous people, such as Hollywood stars Marlene Dietrich, Wallace Berry, Louise Brooks and Clark Gable. Jacumba was a thriving and vibrant town during the 1920's with a population of over 5,000 people. For years, the picturesque rock and chaparral surroundings served as backdrops for a variety of Hollywood films and documentaries, and even a TV series in the year 2,000. (This was the short lived *Manhattan Arizona* mystery series starring Chad Everett).

When I-8 opened around 1967, the town lost its access to travelers as traffic bypassed the town by two miles. Though the spa tried to maintain business, it became increasingly difficult to attract visitors. Gradually, most of the roadside service businesses folded and the community slid into economic decline. The Hotel changed hands and was finally destroyed by arson fire in 1983. It was later torn down in 1991. All that remains today is the stone chimney remnants across from the pink ruins of the old bath house on old highway 80. In the late 1980's, the twenty-four room Jacumba motel was the only lodging place left. The hot waters were diverted to the motel and the property became the Jacumba Hot Springs Hotel. It enjoyed a resurgence of popularity in the last decade with visitors from around the world, but, It has changed hands several times since 2005 and today is in foreclosure.

During this time, and because of its proximity to the border, Jacumba unfortunately became a target of human and drug traffickers from Mexico. This further served to economically depress the town until 9/11 caused the informal border crossing to be shut down. The border fence that was subsequently built, the increased presence of border patrol agents, and the residents' own determination to get rid of bad elements resulted in what now is a cleaned up and safe community.

JACUMBA HOT SPRINGS COMMUNITY TODAY

Jacumba was treated as a census designated place (CDP) for the first time in the 2010 census, when it reported a population of 561 (in the 6.1 square miles the CDP covers). This population includes teachers, librarians, policeman, border patrol, entrepreneurs, artists, writers, plumbers' electricians, musicians, retired folk and families. We also have ranchers, residents living in abject poverty and local "characters" -all who enrich our gateway community in many ways. In short Jacumba's population is a microcosm of what you would find in any town. (Given the many folks who "live off the grid" in our backcountry and the number of people who move here to be 'left alone', the actual population numbers are no doubt higher)

Important Statistics Comparing Jacumba to California as a Whole*

CATEGORY	JACUMBA % OR Dollars	CALIFORNIA AS WHOLE
Residents With Completed Bachelors Degree	5.43%	18.71%
% workers who travel 60+ minutes to get to work	33.04%	11.81%
Median Household Income	$40,476	$64,432
Median Home Value (of "owner" households)	$190,278	$295,249
Median Rent	$688	$1,149

*Source: CLR Search.com Demographic Information (online data used by Realtors)

Other pertinent Statistics from CLR:

- 57.32% of population are in their prime work years of 18-54 (yet there are very few jobs for them in the community or surrounding area)
- There are Zero manufacturing jobs in Jacumba
- There are Zero professional, scientific and technical jobs in Jacumba
- 11.1% of the population work in the retail trade (including the gas stations and small ma and pa markets/liquor stores)
- 11% work in arts and recreation

As evident from these statistics, Jacumba is an economically challenged community whose population is not as educated as California populations as a whole and, who have few local work opportunities. Many are on welfare or some type of disability. Yet Jacumba is rich in recreational and scenic assets and, in our residents' determination to build an economically more viable and vibrant community.

WHAT JACUMBA HAS TO OFFER

Jacumba is the Gateway to **Anza Borrego State Park**, the **Carrizo Gorge** and the **Jacumba Wilderness Area.** The Wilderness Area is designated an "Outstanding Natural Area" because of the many unique rock formations, fossils, wildlife and plant-life. Herds of peninsula bighorn sheep roam the hillsides.

While the vegetation is called “desert scrub”, these words hardly depict the specialness of the plant life. Our stately Oaks, Chaparral, red-branched Manzanita, aromatic shrubs such as the endangered White Chia, Cottonwood trees, flowering Yucca and Prickly Pear cactus are used as food plants by butterflies and moths or as cover and sustenance for a wide variety of reptiles, birds, insects and animals. And what a variety we have! bobcats, coyotes, jackrabbits, road runners, ground squirrels, quail , Golden eagles, hawks, insect eating bats, Scotts Orioles, hummingbirds, ducks, woodpeckers, grackles, Horney Toad lizards -the list goes on!

Jacumba is developing into a hiker, birder [home to the endangered tri-color Blackbird] and mountain biker haven. In spring the hills are carpeted with delicate yellow flowers and white butchers broom. San Diegan’s and other visitors travel and vacation here now because the wilderness areas offer a peace and tranquility that feeds the soul. They come here because the whooshing of the wind through the pine trees, the fragrance of the aromatic desert plants, the sight of delicate desert wildflowers in bloom help recharge their batteries.

One of the best parts of recreating in Jacumba is that these activities provide families a free or low cost option to more crowded and expensive recreational opportunities in the city.

However, there are two barriers that threaten Jacumba’s ability to both attract the tourism that we desperately need to become economically viable and that damage our capability to build a strong and vibrant community.

These are:

1) **The general economic collapse** that has affected the entire country. This hastened the demise of the already declining Jacumba hot Springs Spa, our primary tourist draw. It also depressed our real estate values, making it more difficult for people to sell their homes and put people out of work
2) **The eight year intolerable non-ambient eye gnat infestation from Bornt Farms.** Although poor management and lack of cash flow contributed to the Jacumba Hot Springs Spa’s demise, the eye gnats have played a significant role. In public the management put on a positive face and declared the gnats were not an issue. This was to minimize any potential negative publicity that might keep tourists away. However privately, they complained constantly on how the eye gnats were ruining their business. **The eye gnats also further deteriorated an already fragile real estate market**

RISING FROM ECONOMIC DECLINE

The Jacumba community is rallying together to revitalize Jacumba. We are making positive changes that can and will negate the effects of a poor economy. Our revitalization efforts are paying off:

- We sought and found a new owner for the Spa who is spending hundreds of thousands of dollars to renovate. This proven successful business man envisions Jacumba as another "Taos" and his vision and business model is sure to create may new jobs for Jacumba residents
- We have successfully petitioned the state Audubon society and the California Fish and Game Department to pay for the cleanup and refilling of Lake Jacumba. This asset will be a major draw for birders, fisherman and nature lovers. Again, new jobs will be created that locals can fill.
- We have a new website up (www.gosandiegobackcountry.org) to tell tourists what they can do here Once the renovated spa is re-opened and the lake filled, We will launch a major regional PR campaign designed to attract tourists.
- A new resident, encouraged by the revitalization efforts, is in the process of opening up a coffee shop and grill on our main street. The *Jacumba Lounge*, as it will be called, will be open for business by mid February. There will be job opportunities here as well.
- We have successfully secured outside funding and In spring we will start a community garden. The next step will be to start a local Farmer's market so local residents will have opportunity which is lacking now, to have access to fresh fruits and vegetables. Those participating in the community garden or who have home gardens can also sell the excess from what they have raised
- We are securing funding and will be painting murals on some of our buildings to beautify the town. This will be a tourist draw
- We have plans to market the community and surrounding countryside to the film and advertising industries as potential location sites. This will fill our hotel rooms, give residents employment opportunities as extras and help support our restaurants and store.

Courtyard of the Jacumba Spa

Lake Jacumba as it was

Scenic Surroundings near Jacumba

THE ECONOMIC DAMAGE ATTRIBUTABLE TO EYE GNATS

San Diego County has already acknowledged that eye gnats cause major economic damage to the Recreation and Tourism Industry

(Source: Dept of Agriculture Weights and Measures report of August 2004**)**

Therefore, the County must understand that if the gnats continue at more than ambient levels, our community will not be able to thrive. A continuing eye gnat infestation will mean a substantial number of tourists who do come will not return, and the jobs we hope to generate will not materialize.

It is public knowledge that Jacumba has been infested by eye gnats. Travelers' reviews on sites such as *Yahoo* and *Trip Advisor* have visitors complaining about the gnats. These are representative of the seriousness of the complaints and are read by other tourists to help them in determining where to vacation and play.

August 23 2005 review in TripAdvisor from Bethesda MD visitor:
. . . ***There were horrendous gnats … everywhere. You were forced to go into the …water to get rid of them***

May 30, 2007 TripAdvisor review, Los Angeles visitor:
. . . **upon opening the door to the hotel room, we were surrounded by swarms. . .didn't have high expectations about the place after reading reviews but did expect clean towels and no swarming insects. . .**

The following section looks at the past losses and future (anticipated) economic losses for our TOURISM INDUSTRY

Calculations of lost Room revenues

I have attempted to quantify these losses based upon logical assessment of occupancy rates and % of tourists who do not return. I cannot calculate losses based upon those who see the negative review s and decide not to come.

The Spa's average room rate these last few years was $88/night and the Spa has 24 rooms. (Data was taken from the November 2011 update on LoopNet ,an online commercial real estate website, where data was provided by previous spa owners. No occupancy rate data was provided. However, in researching hotel occupancy rates for N. County hotels over the last few years, it is apparent that the occupancy rate plummeted after the recession hit and has been hovering in the **low to mid 60 percentile** range. Therefore I used a 65% occupancy rate.

Percentage of guests who do not return due to eye gnats	Average Room Rate	Number of Rooms (based upon 65% occupancy)	Estimated Yearly Revenue loss**	Total Estimated losses from 2003-2011 when non-ambient populations exploded (Yearly loss X 8years)
	$88	16 rooms		
3%			$15,418	$123,341
5%			$25,696	$205,568
10%			$51,392	$411,136
20%			$102,784	$822.272

** 365 days X$88/night X 16 occupied rooms X % of guests not returning

Please note that this is based upon a low occupancy rate of 65% and does NOT include revenue losses from the **day use fees**, **losses from the bar and restaurant, losses from cancelled special events** nor **wages/tip losses from the cook, waitresses, bartender, maids, masseuses and maintenance man** (all who are currently unemployed). It also does not include the revenue loss of the local market or the tax revenue loss to the County of San Diego

The newly renovated Jacumba Hot Springs Spa is going to be vigorously marketed and it is anticipated that the room rates may go up to $100+ and the occupancy rate as well. This means that the future yearly revenue losses from non-ambient eye gnats could most likely be six figures or higher!

The following section looks at the losses on our HOME VALUES AND OTHER REALTY LOSSES

Calculating Economic Damage to Property Values

Please see the January 13, 2012 letter in the Appendix from Cherl Furr of *Real Innovate Realty*. One investor reportedly let the Bank take a property she had paid $125,000 for. She had been renting the property for $850/month but when the eye gnats became a problem, she could not rent the home for enough to cover the mortgage.

Here is what Realtor Furr says about the equity loss per [sold] home in Jacumba:

Today 99% of my business is REO Sales in Jacumba, Boulevard, Campo, Pine Valley, Julian, Guatay, and Descanso. When I compare the sales prices of these areas to the Jacumba area, I see a financial impact of nearly 40K per home. Jacumba has approximately, 250 water meters, so if you calculate the loss our town has suffered a loss of $10,000,000.00. The county Tax Collector has lost $125,000 in revenue due to the gnat infestation.

In 2011, 14 homes in the Jacumba area sold from a low of $24K to a High of 115K. However when you average the total sales for the year, the average sale price is $57,872.

In the Boulevard zip code, the 14 homes that sold in 2011, prices range from $26,500.00 to $215,000.00 with an average sale price of 118,735. With a 20K Location adjustment, I arrive at the $40K gnat cost per home.

My data was obtained through the San Diego County Tax Office/Data Quick, and the multiple listing Service in San Diego County. The adjustment for this location has been the standard by me, and appraisals for as long as I have been in the business.

In addition to loss of equity. Furr has :

- Had potential renters exclude Jacumba because of the eye gnats
- Lost money in an eviction case when a renter successfully argued in court that "medical expenses" due to the eye gnats took the money for the rent
- Relocated her office from Jacumba to Boulevard to avoid a "negative first impression" when prospective buyers paid a visit to her office
- Had a prospective renter say she loved her dog too much to subjected it to the eye gnats
- Had to reduce rents to keep her units filled

In Conclusion

- The Jacumba community was here over 90 years before Bornt commercial Farms came here

- For (8) years the Jacumba community has been suffering quality of life issues and an **estimated combined economic loss [commercial and residential] of over $10,000,000**

- The eye gnat infestation has been proven to come from Bornt Farms

- The cultural abatement practices that have been implemented on Bornt Farms over the past two years have diminished gnat populations but have not resolved the ongoing unacceptable and economically damaging nuisance level

- Jacumba is dependent upon Tourism for economic survival and the County has acknowledged that eye gnats cause major economic damage to the Tourism and Recreation Industry

- Economic damages and tax revenue losses will continue to climb as the community undergoes revitalization unless the eye gnats are returned to ambient levels

- Jacumba retained entomology consultant (*Osborne Biological Consulting*-Ken Osborne) concludes "only if rigorous attention and efforts are paid to maintaining these abatement efforts thereafter in coming years, the problem of population growth may be backed out to some, but only to some unknown degree given the ongoing farm operation and unavoidable above ambient eye gnat generation even with abatement measures in place"[1]

- Jacumba has passed the two year mark of Bornt's voluntary implementation of cultural abatement practices and, instead of an expected diminishment of nuisance, the 2011 gnat nuisance factor was actually far worse than in 2010. Due to Jacumba's special status of TOURIST DESTINATION, we cannot wait for unspecified years of experimentation which may only result in an 'unknown" degree of relief

- Therefore, we call upon the County of San Diego to prevent further economic loss and support Jacumba's revitalization efforts by shutting down Bornt Farms

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[1] An Investigation of Sampling Methods used to Monitor Eye Gnat (Liohippelates collusor); Nuisance Pest at Jacumba, San Diego County, California. December 7, 2011; page7

APPENDIX

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January 13, 2012

Dear Danielle,

In reference to your recent request of me to show the economic impact on the area due to the eye gnats, I feel I have suffered extreme financial loss, even more so than many others. Below is the history, and details on the Gnat Problem in the community.

I first moved to Jacumba in 1984. There were NO Gnats. I, with my children lived just east of the farm, and ran what was then "The Airport Café". There were cattle at the ranch back then. Shortly after the flood in Jacumba, my family moved. (The Airport closed down because people were starting to glide with Kites instead of the huge glider planes.) All through this time there were no Gnats.

I obtained my Real Estate License in 1988 and started specializing in the Jacumba, Boulevard, and Campo area. My Family's commitment to the area has been long term and financially deep. My Parents were property owners and residents in the community for several years.

In 1993, we bought our first investment property in Jacumba. Between our parents, and now my grown children our family circle owns 13 homes, and 3 lots in the town. Through this time I have seen the values decline, as well as our income, due to the gnat infestation.

From the Rental stand point, I have had renters exclude Jacumba, only because of the Gnats. One put it this way. : I am afraid my children will not eat their lunch because of the gnats on their food, nor can I afford to miss work to take them to the Dr.s when they get an eye infection." Another person told me they loved their Dog too much to subject them to the eye gnat infestation.

A few months ago, a tenant was telling the judge in court, that the reason she quit paying rent was because of the eye gnats. She claimed medical expenses took the money for the rent.

Nowadays, we have had to accept lower rents, and sometimes reduce rents to keep the units filled. I whole heartedly believe that is due to the Gnat Problem.

Some of the foreclosures in the area are directly responsible to the gnat infestation. One investor told me she let the bank take the home back because of the Gnat Infestation. The home she bought for 125K is now listed for sale for 26K. Her rental income for the three bedroom two bath home was $850 monthly. When the gnats became an issue she could not rent the home to cover the monthly payment. (I have dropped rents from $1200 monthly to $850.00 to keep good tenants.)

For several years I had a Real Estate Office on Old Hwy 80 in Jacumba. I had two agents and an assistant. After the Gnats took over the town, I was forced to close the office and move to Boulevard. The Gnats were just too much of a negative first impression with potential buyers and renters. My theme of being

“The most affordable place to live” became an intolerable place to live-because the gnats attacked would be buyers as they looked at homes.

As far as the sale impact goes, it has been approximately a $40,000.00 loss per home, and nearly a $20,000.00 loss per buildable lot.

California Disclosure Laws require the seller, and or their agents to disclose any known nuisances. The Gnats must be disclosed. Sometimes I loose potential sellers because they use out of area agents to represent them, in attempt to avoid the knowledge of the problem as well as the disclosure.

Today 99% of my business is REO Sales in Jacumba, Boulevard, Campo, Pine Valley, Julian, Guatay, and Descanso. When I compare the sales prices of these areas to the Jacumba area, I see a financial impact of nearly 40K per home. Jacumba has approximately, 250 water meters, so if you calculate the loss our town has suffered a loss of $10,000,000.00. The county Tax Collector has lost $125,000. in revenue due to the gnat infestation.

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This trend is also evident in the previous years. I absolutely recall the first time I had to explain to an asset manager of a Bank Owned property how they could not use Boulevard as a comparable because of the farmers Gnat Breeding Crops.

Jacumba used to be a wonderful resort town, with retired couples and families, strolling the streets and enjoying backyard barbeques, gardening and outdoor projects.

Thanks for your help in trying to cure this infestation.

Cheryl Hansen-Furr

DRE#001001332

Attachment 4

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