

White Wolf Subbasin Groundwater Sustainability Agency Regular Board Meeting of the Board of Directors

Agenda November 1, 2022 at 1:00 p.m.

In Person: Wheeler Ridge-Maricopa Water Storage District Headquarters
12109 Highway 166
Bakersfield, CA 93313

Or Virtual Option:
Go To Meeting: <https://meet.goto.com/911605181>
Call by Phone: (872) 240-3311 Access Code: 911-605-181

- 1. Call to order**
- 2. Recognition of Guests**
- 3. Approval of Minutes of the Regular Board Meeting of October 6, 2022**
- 4. Report by Board Secretary (Angelica)**
 - a. Financial Accounting
- 5. Updates on Actions Discussed or Authorized on October 6, 2022 (EKI)**
 - a. Groundwater Sustainability Plan (GSP) Implementation Updates
 - i. October fieldwork activities
 - ii. Update on groundwater levels through October 2022
 - b. SGMA Implementation Round 2 Grant Application Update
 - i. Grant application clarifications
 - ii. Final proposed Project list
 - c. Process for Establishing Projects/Management Actions (P/MAs) Committee
- 6. Discussion on Process for Imposing a Groundwater Sustainability Agency Administrative Charge (Sheridan/Legal)**
- 7. Discussion on Landowner Recharge Policy (Director Reiter/EKI)**
- 8. Correspondence**
- 9. Public Comment**

At this time, the public may address the Board on any item not appearing on the agenda that is within the subject matter jurisdiction of the Board. Comments will be limited to three minutes.

In compliance with the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services, please call Angelica Martin (661) 663-4262.

**White Wolf Subbasin Groundwater Sustainability Agency
Regular Board Meeting of the Board of Directors**

**Agenda
November 1, 2022 at 1:00 p.m.**

- 10. Consider and provide direction on future agenda items**
- 11. Closed Session – *Anticipated litigation (Government Code Section 54956.9(d)(2))—1 item.***
- 12. Report Out of Closed Session**
- 13. Adjourn**

In compliance with the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services, please call Angelica Martin (661) 663-4262.

**White Wolf Subbasin Groundwater Sustainability Agency
Wheeler Ridge-Maricopoa Water Storage District
12109 Highway 166, Mettler, CA 93313**

MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Date of Meeting: Thursday, October 6, 2022

Location: Remote and In-Person

Meeting Commenced at 9:04 a.m.

DIRECTORS PRESENT: Tito Martinez, George Cappello, Jeff Giumarra, Jeff Mettler, Allen Lyda, and Jon Reiter

ALTERNATES: None

DIRECTORS ABSENT: None

PUBLIC AND STAFF: David Kames from Rabobank, Doug Gosling, Stacey Ann Silva, Maryse Suppiger from Manulife Investment, Brad DeBranch from Bolthouse, Anona Dutton, and Christina Lucero from EKI, Jeevan Muhar AEWS, Tom Suggs, Sheridan Nicholas, Danyel Ruth, and Eric McDaris with WRMWSD, Angelica Martin, and Legal Counsel Alan Doud, were present.

The meeting was initiated with the introduction of Resolution 2022-06, Allowing Remote Teleconference Meetings Under AB361. On motion by Director Reiter, seconded by Director Mettler, the resolution was unanimously approved. The motion was carried upon roll call vote for approval.

President Martinez advised the board would initiate closed session and asked the public attending in person to please exit the room and those online, he explained would be put on a “waiting room” and let back in once open session commenced.

Closed session commenced at 9:06 a.m.

There was nothing to report out of closed session. Open session began at 9:48. a.m.

President Martinez did a recognition of guests.

The draft meeting minutes of the Regular Board Meeting of September 6, 2022 was presented by Ms. Martin. On motion by Director Lyda and seconded by Director Giumarra, the minutes were unanimously approved. The motion was carried upon roll call vote for approval.

Ms. Martin presented Resolution 2022-07, In the Matter of Adopting a Regular Meeting Schedule. The WWGSA has been holding its regular board meetings every quarter, Resolution 2022-07 proposed a regular board meeting be held every month. After a brief discussion and on motion by Director Giumarra, seconded by Director Lyda, the resolution was unanimously approved. The motion was carried upon roll call vote for approval.

Christina Lucero from EKI gave a presentation starting with an update on groundwater levels through September 2022. Christina continued to talk about the official opening for solicitation of SGMA Implementation Round 2 Grant. Applications are due end of November. The Board agreed to request \$20 million with a 5% cost share. There was also discussion regarding the aspects that need to be considered when picking the projects that will be submitted as part of the application packet, and the importance of this process. It

was also recommended that having letters of support for the grant application packet would be beneficial.

As a follow-up to that conversation, Resolution 2022-08, Authorizing Filing Application for SGMA Implementation Grant, was presented to the Board. After a brief discussion, and on motion by Director Reiter, seconded by Director Lyda, Resolution 2022-08 was unanimously approved. The motion was carried upon roll call vote for approval.

The certification of pending well permit applications were discussed. The Board was informed that further landowner outreach was made. A workshop took place on September 27th to provide the stakeholders updates as to the hydrology of the basin. After a brief discussion, the board authorized the approval of said applications.

There was a presentation from Anona that talked about PMAs that were identified in the GSP as well as example of case studies. There was discussion about potential pumping reductions, well metering reporting programs, and other examples of demand management approaches. There was also discussion regarding actual case studies and the complexity and result of each one of them. That brought up the questions of how to initiate PMAs in the WWB. The technical committee recommended establishing a Committee for PMAs planning, and policy discussion to support recharge projects. EKI provided options on how the committee could be structured. After further conversation, the Board opted for a Tiered Committee. It was agreed that Ms. Martin would coordinate the formation of said committee.

The was no correspondence to report.

There were no public comments.

Sheridan Nicholas suggested a subject matter for a future Board agenda. He spoke about adding fees and charges that would be applied by the WWGSA as a possible replacement for a Prop 218. This discussion would open feedback and input from Landowners, as well as Board Directors, and Legal counsel.

Ms. Martin advised next meeting would be on November 1st.

On motion by Director Lyda, seconded by Director Giumarra, the White Wolf GSA Board meeting was adjourned at 11:14 a.m.

Angelica Martin, Secretary, White Wolf Subbasin GSA

Approved by: White Wolf Subbasin GSA Board of Directors Dated: November, 1 2022

WHITE WOLF GSA - OCTOBER 31, 2022

FUNDING	\$ 200,001
INTEREST INCOME	30
TOTAL FUNDING	200,031
PROFESSIONAL SERVICES - CONSULTING	80,747
FEES - OTHER	107
TOTAL EXPENDITURES	80,853
FUNDING AVAILABLE AT OCTOBER 31, 2022	\$ 119,177



White Wolf Groundwater Sustainability Agency

Arvin-Edison Water Storage District
Tejon-Castac Water District
Wheeler Ridge-Maricopa Water Storage District
Kern County

AGENDA MEMORANDUM

Date: 31 October 2022

Item: 7. Landowner Recharge Policy

BACKGROUND

To facilitate Board discussion regarding a policy to encourage landowner recharge, three example District and/or Groundwater Sustainability Agency (GSA) groundwater banking/recharge policies have been attached:

- (1) McMullin Area GSA: simplified policy encouraging water banking and seeking coordination and partnerships to enhance recharge;
- (2) Shafter-Wasco Irrigation District: landowner groundwater recharge policy and associated landowner recharge agreement; and
- (3) Lower Tule River Irrigation District GSA: detailed suite of 8 policies, where policy 2 outlines landowner groundwater banking.

DISCUSSION

The Projects & Management Actions (P/MA) committee is anticipated to be established by January 2023. A key role will be compiling and reviewing policies such as these attached as a means to inform any policies developed and adopted by the White Wolf GSA.

Attached: Three example landowner groundwater banking/recharge policies.

**MCMULLIN AREA GROUNDWATER
SUSTAINABILITY AGENCY
WATER BANKING POLICY**

POLICY NO. 2020-08

DATE ADOPTED: December 9, 2020

1.0 Background

Water banking is a form of conjunctive use,¹ in which surface water is either allocated for current use, or stored in aquifers for later use, thereby preserving and enhancing existing groundwater supply. Those engaged in water banking activities typically contract with the operator of a banking facility and, through the practice of forgoing direct water deliveries during certain periods, are able to “bank” the forgone water for future use. Other options for banked water include, but are not limited to, the sale of the right to use the forgone water to another user in exchange for a fee, an *in situ* transfer², or an in-kind transfer whereby water may be delivered from alternate sources and locations. Water banking is typically used in situations involving facilities with significant storage capacity and capable of facilitating such transfers of water.

In California, water banking is used as a tool to stabilize available water supplies without the associated challenges of surface water storage, including the costs of building surface storage facilities and potential impacts to fish and wildlife. Storing water underground can be a cost-effective way to save water during wet years for use during dry years, and has become an increasingly important water management tool as the reliability of the state’s water resources, and more specifically the resources within the McMullin Area Groundwater Sustainability Agency (“MAGSA”), continue to become more variable.

In lieu of groundwater extraction, MAGSA has prioritized additional surface water resource identification, diversification, import, recharge and/or utilization within its Groundwater Sustainability Plan (“GSP”) as a viable method by which it may reduce impacts of overdraft within the Subbasin, and towards the ultimate goal of groundwater sustainability. Water banking activities and operation of potential water banking facilities within MAGSA is consistent with MAGSA’s groundwater sustainability goals.

2.0 Purpose

The purpose of this Water Banking Policy is to establish general guidelines by which MAGSA commits itself to certain principles for banking surface and ground water within its

¹ “Conjunctive use” refers to the coordinated use of both surface water and groundwater.

² *In situ*, meaning “in place,” refers to a transfer of water that does not necessarily involve physical conveyance; the water may remain where it is for use by another.

boundaries. Specifically, this Policy outlines measures MAGSA may implement for its oversight of any water banking activities within its boundaries.

3.0 Scope and Applicability

This Policy specifically applies to: (1) that portion of the Kings Subbasin (Basin No. 5-22.08) (“Subbasin”) located in Fresno County lying and situate within MAGSA’s boundaries (as depicted in **Exhibit A**, attached and incorporated herein); (2) any and all water, regardless of origin, banked, proposed for banking, or otherwise subject to MAGSA’s oversight through any water banking activities within MAGSA; (3) any and all data collected by MAGSA and/or its consultants and other partners pursuant to water banking activities within MAGSA; and (4) any parties, persons, entities, or public agencies that have applied to MAGSA (or may apply in the future), or that have contracted with MAGSA (or may contract with MAGSA in the future) for the purpose of banking water within MAGSA.

4.0 Authority

As a Groundwater Sustainability Agency (“GSA”) properly organized pursuant to the Sustainable Groundwater Management Act of 2014 (Water Code §§ 10720 et seq.) (“SGMA”), MAGSA is authorized to adopt rules, regulations, ordinances, and resolutions for purposes of fulfilling its obligations as a GSA (Water Code § 10725.2(b), and MAGSA adopts this Policy pursuant to this authority.

5.0 Demonstrated Benefits to MAGSA

a. The California Department of Water Resources has determined that the groundwater resources within the Subbasin are in a critical state of overdraft. It has been further determined through initial analyses by the Kings Subbasin Coordination Group³ that MAGSA’s portion of the Subbasin is overdrawn in an amount at or near 90,000 acre-feet annually. Through its GSP, MAGSA has identified areas of critical overdraft within MAGSA and has determined that groundwater is an essential and indispensable resource for agricultural, municipal, industrial, domestic and other valuable uses within MAGSA.

b. MAGSA has determined, and this Policy further acknowledges, that there are unique geographic and hydrogeological conditions present within MAGSA’s boundary. The portion of the Subbasin underlying MAGSA houses expansive and complementary natural underground water storage conditions, which are highly suitable and available for water banking and related purposes.

c. MAGSA finds that providing greater management and operational flexibility over its groundwater resources through maximized use of the unique conditions underlying the MAGSA area, including opportunities for conjunctive use of both surface and groundwater and/or

³ The Kings Subbasin Coordination Group is comprised of the seven GSAs organized and overlying the Kings Subbasin, including: MAGSA, Central Kings GSA, James ID GSA, Kings River East GSA, North Fork Kings GSA, North Kings GSA, and South Kings GSA.

the operation of water banking facilities within MAGSA, is in the best interest of MAGSA and its landowners.

d. Further, MAGSA finds that adoption of a clear Policy promoting the operation of water banking facilities within MAGSA is in the best interest of MAGSA and its landowners. MAGSA has determined that the operation of water banking facilities within MAGSA may represent one of several integral tools for addressing conditions of groundwater overdraft within MAGSA, and for enhancing, protecting, and sustainably managing MAGSA's water resources within its boundaries pursuant to and consistent with SGMA.

6.0 Data Collection and Monitoring

MAGSA has determined that a successful groundwater banking program requires adequate groundwater data collection, monitoring, and modeling to: (1) better determine aquifer characteristics, (2) better estimate groundwater banking capacity, (3) simulate and verify short- and long-term practical and environmental outcomes associated with stored water, and (4) assess the costs and benefits of proposed projects. As such, MAGSA finds that comprehensive groundwater data collection, monitoring, and modeling is an anticipated and necessary aspect of any and all water banking activities within MAGSA.

7.0 Policy Statement

With acknowledgement of the information set forth herein above, until further modified as set forth hereafter, the following shall serve as the MAGSA Policy for Groundwater Banking within the MAGSA boundary:

a. MAGSA acknowledges that there is within the Central Valley of California a continuing imbalance between available surface water supply and storage as a result of recurring drought, increased regulatory pressure, continuing climate variability, lack of adequate conveyance, and lack of adequate storage facilities. The need for additional viable water storage alternatives for MAGSA is great.

b. The efficient operation of dedicated water banking facilities provides water management flexibility and adaptability for dealing with these conditions. To the extent water banking facilities may be reasonably developed and operated within MAGSA as a result of MAGSA's unique geographic, hydrogeological, or hydrologic conditions, it shall be a MAGSA priority to continue to take such steps as are in furtherance of enhanced conveyance, storage, and supplemental water supply goals associated with water banking operations within MAGSA.

c. Based upon currently available economic and environmental criteria, water banking programs involving storage of water in groundwater aquifers are preferred. The development of additional groundwater recharge and storage capabilities, including the operation of water banking facilities, in conjunction with other federal, state and regional agencies and water rights holders, within MAGSA, shall be encouraged and favored by MAGSA.

d. MAGSA shall encourage the import of any and all qualifying surface water supply for storage within the MAGSA water banking facility or facilities to the maximum extent possible, consistent with MAGSA's obligation under SGMA to protect the Subbasin.

e. MAGSA shall seek coordination, cooperation, collaboration, partnerships, and/or other acceptable forms of organizational relationships with parties seeking and/or willing to engage in efforts that will result in mutually beneficial recharge, storage, return, and exchange opportunities including, but not limited to, the ability to enhance direct and in-lieu recharge or recovery operations within MAGSA in accordance with MAGSA's water banking program(s) and in furtherance of MAGSA's GSP.

8.0 Effective Date and Modification

a. This Policy shall become effective and be in full force and effect upon its passage and adoption.

b. MAGSA's Board of Directors may modify this Policy at any time, at its sole discretion, pursuant to the applicable procedures described in MAGSA's Bylaws.

The foregoing Water Banking Policy was passed and adopted by the Board of Directors for the McMullin Area Groundwater Sustainability Agency, at a regular meeting thereof held on the 9th day of December, 2020, by the following vote:

AYES: Abercrombie, Bath, Cameron, Pacheco, Singh
NOES:
ABSENT:

Jeevan Singh, Chairperson

ATTEST:

MATTHEW H. HURLEY, Secretary

Approved as to legal form and effect:

Legal Counsel

Exhibit "A"

SHAFTER-WASCO IRRIGATION DISTRICT
LANDOWNER GROUNDWATER RECHARGE POLICY

In furtherance of its effort to promote effective groundwater management and improve groundwater conditions in the basin underlying its lands (the "Basin"), the Shafter-Wasco Irrigation District intends to provide for delivery of surface water supplies to Landowners for groundwater recharge purposes according to the following principles.

1. A Landowner may take delivery of surface water supplies on Landowner's Property for the purpose of recharging such supplies to the Basin. Said delivery and recharge shall be subject to the District's Rules and Regulations, including such terms and conditions of the Rules and Regulations as pertain to delivery, pricing, and scheduling.
2. Water for Landowner recharge shall be delivered to a point or points of delivery agreed upon between Landowner and District, which points of delivery shall be equipped with appropriate measuring, monitoring and recording equipment sufficient to enable the District to gather such information as is needed for maintaining reports and generating invoices for water delivered pursuant to this Policy (the "Points of Delivery").
3. The Landowner shall be responsible for the control, carriage, handling, use, disposal, or distribution of water delivered by the District for Landowner recharge beyond the Points of Delivery.
4. The Landowner may, at its sole discretion, extract the water from the Basin that Landowner recharges pursuant to this Policy from time to time, at its sole expense, as the Landowner may desire for its farming operations.
5. The credits allocated to the Landowner for water recharged pursuant to this policy will be dependent upon the circumstances under which the District delivers the water. Water deliveries and associated credits to Landowners for recharged water shall be categorized and administered as follows:
 - a. For water that Landowner acquires independent of the District's Repayment Contract with the Bureau of Reclamation for surface water deliveries from the Friant Division of the Central Valley Project (the "Non-Contract Water"), Landowner shall receive a credit of Ninety-Four Percent (94%) of all such water that Landowner recharges to the Basin in conformance with this Policy. Landowner shall be responsible for all of District's actual costs incurred in connection with delivery of Non-Contract Water.

- b. For any water that Landowner acquires in connection with the Repayment Contract that is available to Landowner because it is surplus to the needs of the District (e.g., water categorized by the Bureau of Reclamation as Uncontrolled Season or Section 215 water, Unreleased Restoration Flows, Recovered Water Account, etc.) (the "Surplus Contract Water"), Landowner shall receive a credit of Forty-Seven Percent (47%) of all such water that Landowner recharges to the Basin in conformance with this Policy. Landowner shall be responsible for Fifty-Percent (50%) of District's actual costs incurred in connection with delivery of Surplus Contract Water.
 - c. In connection with the District's limited rights to use Landowner's recharge facilities as provided for the Landowner Recharge Agreement (described in Section 12 below), in the event that a Landowner declines the opportunity to obtain Surplus Contract Water for reasons that are not beyond Landowner's control and District is able to import such Surplus Water into the District's water distribution system, District shall have the option to secure such Surplus Contract Water and recharge same using Landowner's recharge facilities, in which case Landowner will receive no credit for water recharged to the Basin and all such credit shall accrue to the District.
6. District shall have full discretion concerning accommodation of requests for water to a Landowner pursuant to this Policy, and such requests will be fulfilled subject District's available delivery capacity and to all other water delivery obligations of the District. Consistent with the foregoing, under no circumstances will District facilitate delivery of surface water supplies for Landowner recharge that District could have obtained for itself but was unable to due to a Landowner outbidding the District for said water.
7. The Landowner, at its sole expense, shall be responsible for maintaining accurate and complete accounting records for water delivered to a Landowner's groundwater recharge facility and the total net amount of water recharged to the groundwater aquifer within the District. Each month, the Landowner shall provide the District with a written report stating the amount of water the Landowner delivered to each recharge facility and the total net amount of the water recharged to the Basin.
8. In the event Landowner engages in buried recharge, the requisite measuring, monitoring and recording equipment shall have the capability to monitor ground water levels to gauge whether water delivered under this policy is moving beyond the root zone of any crops. If there is any indication that water applied to buried recharge is being used by crops rather than moving beyond the root zone, the resulting evaporative losses shall be deducted from the net quantity of recharge water credited to Landowner. In no event will such evaporative losses be attributed to or chargeable against the District.

9. This Policy does not, and shall not be construed to, obligate the District to incur any direct or indirect expense in connection with delivering water for Landowner recharge, including, without limitation, the obligation to construct, expand, improve or otherwise alter any new or existing District facilities.
10. The Landowner, at its sole expense and risk, shall be responsible for the design, construction, operation, maintenance, repair and replacement of groundwater recharge facilities, equipment, appurtenances, and any legal and regulatory compliance of groundwater recharge activities. In the event any activity undertaken pursuant to this Policy is deemed a "project" for purposes of the California Environmental Quality Act (Public Resources Code § 21000, *et seq.*) ("CEQA"), District shall be the lead agency thereunder and Landowner shall be responsible for covering the District's CEQA compliance costs, regardless of the outcome of CEQA review.
11. Landowner may temporarily fallow land for the purpose of engaging in landowner recharge activities. Landowner shall not plant any crops on fallowed land within three (3) months of the most recent delivery of recharge water thereto.
12. This Policy, and in particular (i) the credits referenced in Items 5 above and (ii) Landowner's right to extract and use recharged groundwater pursuant to Item 4 above, shall be subject all applicable laws, rules, regulations and ordinances, including without limitation the terms and conditions of the Sustainable Groundwater Management Act (Water Code § 10720 *et seq.*) ("SGMA"), the Kern Groundwater Authority's umbrella Groundwater Sustainability Plan (GSP), and the District's chapter GSP, each as may be adopted and amended from time to time.
13. A Landowner wishing to engage in Landowner recharge pursuant to this Policy shall enter into District's prescribed form of "Landowner Recharge Agreement," which form of Agreement is attached to this Policy as Exhibit "A" and incorporated herein.

EXHIBIT "A"

LANDOWNER RECHARGE AGREEMENT

LANDOWNER RECHARGE AGREEMENT

This Landowner Recharge Agreement ("Agreement") is entered into this ___th day of _____, 2019 (the "Effective Date"), by and between (i) the Shafter-Wasco Irrigation District ("District"), and (ii) _____ ("Landowner"). District and Landowner shall sometimes be referred to herein individually as a "Party" and jointly as the "Parties".

RECITALS

1. The District's Board of Directors has adopted that certain *Shafter-Wasco Irrigation District Landowner Recharge Policy* (the "Policy"), which governs the manner in which landowners within the District's boundaries may recharge imported surface water supplies to the groundwater basin underlying the District and areas contiguous thereto (the "Basin"), and receive credit for said recharged water.
2. The Policy requires that any District landowner wishing to engage in landowner recharge enter into this Agreement.
3. Landowner is an owner of certain real property situated within the District's boundaries, which property is more particularly identified in Exhibit "1", attached hereto and incorporated herein (the "Property").
4. Landowner desires to enter into this Agreement with the District to provide for Landowner's recharge activity on the Property.

NOW, THEREFORE, in light of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. WATER RECHARGE

- a. Landowner shall have the option to take delivery of imported surface water from time to time for recharge of such water on the Property to the Basin, subject to the terms and conditions of this Agreement.
- b. Landowner shall receive credit for water it recharges to the Basin on the Property in the manner and to the extent provided for herein. As to all such Landowner recharged water for which Landowner receives credit, Landowner may, at its sole discretion, extract said water from the Basin at its sole expense for use anywhere within the District or lands contiguous with the District's boundaries.

- c. Any groundwater credit Landowner might derive from this Agreement and the activities undertaken in connection herewith shall be subject to the terms and conditions of this Agreement, the District's Rules and Regulations, the Policy, and other applicable laws, regulations and ordinances, including without limitation the Sustainable Groundwater Management Act as interpreted, implemented and enforced by (i) District and (ii) any public agency or court of competent jurisdiction.

2. WATER DELIVERIES

- a. The District has entered into that certain Repayment Contract with the U.S. Bureau of Reclamation for "Project Water Service from Friant Division and for Facilities Repayment" (the "Repayment Contract"), pursuant to which the District receives Class 1 and Class 2 Friant Water supplies as specified therein ("Contract Water"). The District uses its Contract Water to satisfy its water supply obligations to District Landowners. Friant Water supplies in excess of District's immediate demands occasionally become available for purchase (the "Surplus Contract Water"), and Landowner may be eligible to purchase said Surplus Contract Water. Additionally, Landowner may from time to time be able to purchase water that becomes available from sources other than the Friant Division that is capable of delivery to the Property using District's facilities (the "Non-Contract Water"). Landowner may purchase and have delivered for recharge to the Basin by Landowner Surplus Contract Water and Non-Contract water, subject to the following:
 - i. With regard to Non-Contract Water that Landowner purchases for delivery to and recharge on the Property, Landowner shall receive a credit of Ninety-Four Percent (94%) of all such water.
 - ii. With regard to Surplus Contract Water that Landowner purchases for delivery to and recharge on the Property, which water may include, for example, water categorized by the Bureau of Reclamation as Uncontrolled Season or Section 215 water, Unreleased Restoration Flows, or Recovered Water Account, Landowner shall receive a credit of Forty-Seven Percent (47%) of all such water, and the rights associated with the remaining Fifty-Three Percent (53%) shall accrue to the District.
 - iii. In connection to the District's limited rights to use Landowner's recharge facilities as provided for in Section 4 below, in the event that a Landowner declines the opportunity to obtain Surplus Contract Water for reasons that are not beyond Landowner's control and District is able to import such Surplus Water into the District's water distribution system (referred to hereinafter as "Declined Surplus Water"), District shall have the option to secure such Declined Surplus Water and recharge same using Landowner's recharge facilities, in which case Landowner will receive no credit for water recharged to the Basin and all credit therefor shall accrue to the District.

- b. Under no circumstances shall Landowner receive recharge credits for the following:
 - i. Contract Water supplies, which are not subject to recharge by Landowner under the Policy or this Agreement.
 - ii. Water supplies that the District could have purchased but did not because the Landowner outbid the District for said supplies.
- c. Nothing herein shall obligate the District to receive and deliver Surplus Contract Supplies or Non-Contract Supplies, and all deliveries to Landowner of such supplies shall be subject to delivery capacity available to the District and to all other water delivery obligations of the District. Consistent with the foregoing, District shall have full discretion to accommodate or not requests for Surplus Contract Water and Non-Contract Water deliveries to Landowner. No delivery of said supplies to Landowner in one year shall guarantee delivery of the same or similar supplies to Landowner in subsequent years, or to priority of said deliveries over other obligations or accommodations of District.
- d. The Parties shall work together in good faith to schedule water deliveries to such point or points of delivery as are agreed upon by the Parties (the "Point of Delivery").
- e. Any Non-Contract Water delivered pursuant to this Agreement shall meet or exceed the water quality standards for introduction of non-CVP water into the Friant-Kern Canal, as such standards may be modified from time to time.

3. COST SHARING AND PAYMENT OBLIGATIONS

- a. Except as provided in Section 3.b below, this Agreement does not, and shall not be construed to, obligate the District to incur any direct or indirect expense in connection with delivering water for Landowner recharge, including, without limitation, the obligation to construct, expand, improve or otherwise alter any new or existing District facilities.
- b. Costs for deliveries of water to the Property pursuant to this Agreement shall be allocated as follows:
 - i. Landowner shall be responsible for all costs of water delivered to the Property pursuant to Section 2.a.i.
 - ii. Landowner and District shall each be responsible for Fifty Percent (50%) of all costs of water deliver to the Property pursuant to Section 2.a.ii.

- iii. District shall be responsible for all costs of water delivered to the Property pursuant to Section 2.a.iii.
- c. Payment for water delivery costs shall be due and payable to District within thirty (30) days of Landowner's receipt of an invoice from the District therefor.

4. CONSTRUCTION OF FACILITIES AND DISTRICT'S RIGHT OF USE

- a. Landowner, at its sole expense and risk, shall be responsible for the design, construction, operation, maintenance, repair and replacement of groundwater recharge facilities, equipment, appurtenances, and any legal and regulatory compliance of groundwater recharge activities undertaken in connection with this Agreement.
- b. Landowner shall submit plans and specifications for any such facilities (the "Plans") to District prior to commencing construction thereof. District shall have thirty (30) days to review the Plans and provide comments to Landowner regarding same. If District does not respond to Landowner within thirty (30) days of receipt of the Plans, they shall be deemed disapproved. District shall not be obligated to review the Plans for quality, design, compliance with applicable law or any other matters, and District shall have no liability or responsibility whatsoever in connection with the review of Plans, including but not limited to any omissions or errors contained therein. If District disapproves of the Plans or approves the Plans subject to conditions that Landowner fails to satisfy, the District shall have the right to (i) refuse water deliveries consistent with Section 2(c) above, or (ii) terminate this Agreement consistent with Section 6(b) below.
- c. In the event any activity undertaken pursuant to this Agreement, including construction of recharge facilities, is deemed a "project" for purposes of the California Environmental Quality Act (Public Resources Code § 21000, *et seq.*) ("CEQA"), District shall be the lead agency thereunder and Landowner shall be responsible for covering the District's CEQA compliance costs, regardless of the outcome of CEQA review.
- d. In connection with Section 2.a.iii above, Landowner hereby grants to District an easement for the right to deliver to the Property Declined Surplus Water, and to use Landowner's recharge facilities constructed thereon for recharge of Declined Surplus Water to the Basin for the District's benefit (the "Easement"). The Easement shall be temporary, and District's rights thereto shall automatically terminate upon termination or expiration of this Agreement.
- e. As an alternative to constructing recharge facilities, a Landowner may temporarily fallow productive farmland for the purpose of receiving water for Landowner recharge thereon. If Landowner conducts recharge pursuant to this Section 4(e), landowner shall not plant any crops on the land so fallowed within three (3) months

of the last delivery of Landowner recharge water. Failure to adhere to the limitations set forth in this Section 4(e) shall result in Landowner forfeiting rights to credit for such water in favor of the District, less evaporative losses calculated by the District.

5. MONITORING

- a. Landowner, at its sole expense, shall be responsible for installing and maintaining a meter or meters and to record all water delivered to Landowner's Property pursuant to this Agreement, and to maintain accurate and complete accounting records for (i) water delivered to a Landowner's Property for recharge, (ii) the total net amount of water recharged to the Basin, and (iii) the amount of water extracted. Each month in which recharge or extraction occurs under this Agreement, Landowner shall provide the District with a written report stating the amount of water the Landowner delivered to each recharge facility and the total net amount of the water recharged to the Basin.
- b. In the event Landowner engages in buried recharge, the requisite measuring, monitoring and recording equipment shall have the capability to monitor ground water levels to gauge whether water delivered under this Agreement is moving beyond the root zone of any crops. If there is any indication that water applied to buried recharge is being used by crops rather than moving beyond the root zone, the resulting evaporative losses shall be deducted from the net quantity of recharge water credited to Landowner. In no event will such evaporative losses be attributed to or chargeable against the District.

6. TERM AND TERMINATION

- a. This Agreement shall be deemed to have commenced on the Effective Date, and shall remain in full force and effect for so long as the Policy exists.
- b. This Agreement shall be subject to termination as follows:
 - i. By written notice of Landowner to District for any or no reason, provided that if Landowner has requested water deliveries pursuant to this Agreement, such termination shall be not effective until the conclusion of such deliveries.
 - ii. By written notice of District to Landowner that Landowner is in breach of this Agreement, which termination shall take effect following thirty (30) days following Landowner's receipt of said notice if Landowner has not by then cured its breach. If the breach is financial, Landowner's cure period shall be ten (10) days, and District's remedies shall include all rights and remedies available to it at law and equity, and shall not be limited to termination of this Agreement.

- iii. Upon termination of the Policy by the District's Board of Directors for any reason.

7. LIABILITY AND INDEMNIFICATION

- a. District shall be responsible for any and all losses, claims, demands and causes of action ("Claims") related to the control, carriage, handling, use, disposal, or distribution of water up to the Point of Delivery.
- b. Landowner shall be responsible for any and all Claims related to the control, carriage, handling, use, disposal, or distribution of water past the Point of Delivery.
- c. Without limiting any other term of this Agreement, and except as provided in Section 5.a above and 5.d herein, Landowner shall indemnify, defend and hold District, its board of directors, officers, employees, agents, assigns, harmless from and against any damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury, or death, and including attorneys' fees and other costs of litigation ("Losses"), arising out of or connected with this Agreement, any costs incurred in connection with the activities authorized by this Agreement, and the control, carriage, handling, use, disposal, or distribution of water for groundwater recharge.
- d. District shall indemnify, defend and hold Landowner, its directors, officers, employees, agents, assigns, harmless from and against any Losses, arising out of or connected with District's exercise of its rights to the Easement pursuant to Section 4.d above.
- e. The Parties acknowledge that the validity and enforceability of the Policy and this Agreement, including as they pertain to credits for imported water supplies recharged to the Basin, are subject to various regulatory, legal and other circumstances beyond District's control. District makes no representation, warranty or guaranty concerning the same and shall not be liable for any consequential, incidental, or other special damages incurred by Landowner or any third-party in connection with the Policy or this Agreement or termination thereof for any reason ("Special Damages"). Consistent with the foregoing, the Parties agree that District's rights of indemnification provided for herein shall extend to third-party Claims for Special Damages.
- f. No rights of indemnity herein shall extend to an indemnified Party to the extent any Claim or Loss is caused by the acts or omissions of the indemnified Party.
- g. The rights and responsibilities of the Parties set forth in this Section 7 shall survive the expiration or termination of this Agreement.

8. MISCELLANEOUS

- a. Further Assurances. Each Party will, from time to time as necessary to the fulfillment of this Agreement, perform, execute, and deliver all such further acts, agreements, and assurances as may be reasonably required to effectuate the terms and conditions hereof.
- b. Force Majeure. Except as otherwise provided herein, all obligations of the Parties will be suspended so long as, and to the extent that, the performance thereof will be prevented by Force Majeure including without limitation earthquakes, fires, tornadoes, facility failures, floods, drowning, strikes, other casualties or acts of God, orders of court or governmental agencies having jurisdiction over the subject matter hereof, or other events or causes beyond the control of the Parties.
- c. Assignment. This Agreement is not subject to assignment by either Party hereto without the prior written consent of the other Party.
- d. Governing Law. This Agreement shall be governed and interpreted by and under the laws of the State of California.
- e. Entire Agreement. This Agreement supersedes all prior discussions and agreements between and among the Parties with respect to the subject matter hereof and contains the sole and entire agreement between and among the Parties with respect thereto. This Agreement shall not be amended except by a written instrument signed by all Parties.
- f. No Third Party Beneficiaries. This Agreement is entered into solely for the benefit of the Parties hereto. No beneficial or legal interest is created in any other person or entity not a Party to this Agreement.
- g. Waiver. Any waiver, at any time, by a Party of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, will not be deemed to be a waiver with respect to any other breach, default or matter
- h. Attorneys' Fees. If legal action or other proceeding is commenced as a result of a dispute which arises under or relates to any provision of this Agreement, the losing Party will pay the prevailing Party's actual attorneys' fees, costs, expert witness fees and other expenses incurred in preparation for and conduct of that action or proceeding, appeal of judgment, and enforcement and collection of judgment or award.
- i. Notices. All notices, requests and other communications hereunder shall be (i) in writing, (ii) deemed delivered upon receipt, and (iii) made by personal delivery, or Registered or Certified Mail, postage prepaid, to the Parties at the following addresses:

A. If to District Attn: Dana Munn, General Manager
Post Office Box 1168
Wasco, CA 93280

B. If to Landowner Attn: _____

- j. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, as of the Effective Date the Parties have accepted, made and executed this Agreement upon the terms, conditions, and provisions stated above.

SHAFTER-WASCO IRRIGATION
DISTRICT

By: _____
Dana S. Munn, General Manager

By: _____

**Lower Tule River Irrigation District
Groundwater Sustainability Agency**

WATER MEASUREMENT & METERING

The landowners within the GSA utilize both surface water and groundwater to meet the needs of the business operations and producing agricultural products. A key component to manage the sustainability of groundwater is to measure quantitatively the total amount of water used by each landowner within the GSA. This will allow the GSA to track groundwater water usage by landowner which can then be correlated to the amounts allowed to achieve sustainability.

The GSA will utilize satellite imagery to determine crop demands at the landowner level as described in more detail below:

Calculate Groundwater Consumed using Evapotranspiration

To calculate the amount of groundwater consumed by the crop, the following equation is applied:

1. Total Applied Surface Water is supplied and metered by the Irrigation District.
2. Total Crop Demand (Evapotranspiration or ET) is calculated by a third party, using NASA LandSat satellite imagery.
 - a. Consumption, based on the ET calculations will first be reduced by surface water deliveries, then accounted for in the following sequencing:
 - i. Precipitation Yield
 - ii. Sustainable Yield credits
 - iii. District allocated groundwater credits
 - iv. Transitional groundwater credits**
 - v. Landowner developed groundwater credits**

**The sequencing of the Transitional water credits and Landowner developed groundwater credits can be switched at the landowner's discretion.

- b. If surface water applied is more than ET, the landowner will receive a credit for over application of surface water according to the following schedule:

Over Application of Surface Water for Irrigation Purposes

Policy 1: Water Measurement & Metering

- i. The credit calculated using this equation will be tracked and will increase the landowner groundwater account managed by the GSA. For every acre-foot of over applied surface water,

90% credit goes to the landowner account, 10% to the GSA.
- ii. For all groundwater credits issued to the landowners from over application of irrigation water, the credits will be available and carried over to subsequent years. The term of the credits will be perpetual. The groundwater credits can also be transferred, sold, or leased to other landowners based upon the GSA groundwater transfer policy.

The satellite imagery used to determine the ET values, will be audited by the GSA through spot checking land use for cropping patterns and compared to available District metered data.

**Lower Tule River Irrigation District Groundwater
Sustainability Agency**

GROUNDWATER BANKING AT THE LANDOWNER LEVEL

Irrigation District Recharge

The irrigation district oversees and manages the surface water for the district, separate and apart for the Groundwater Sustainability Agency. The irrigation district recognizes the surface water supplied is very important to achieve groundwater sustainability and needed for the landowners to continue operations of their farms and that landowners need to be able to balance all of these resources to achieve sustainability under SGMA.

When surface water beyond what is needed to meet irrigation demands is available, the irrigation district will maximize the use of these surface waters and divert these waters into the natural waterways, open channel canals, and district owned recharge basins. This will occur most often during above average water years when those waters cannot be stored and are released from local reservoirs. The surface water diverted and recharged into groundwater into district owned facilities is done to benefit all the landowners within the district without regard for specific credits under SGMA. Additionally, the irrigation districts will continue to optimize the distribution systems to maximize the recharge of surface water while supplying surface water to landowners as efficiently as possible.

Landowner Groundwater Banking

During periods where surplus surface waters are available, landowners within the GSA can divert surface water into landowner owned designated recharge facilities for future groundwater credits. Surface water for banking can be:

1. Water the landowner purchases from the irrigation District through regular surface water purchase procedures.
2. Water rights water available to the landowner. E.g. Poplar Ditch share water
3. The District has established the following priority order of water service and related canal capacities:
 - Deliveries for irrigation demand
 - District recharge/banking for the benefit of all landowners
 - Landowner recharge/banking

When this occurs, the landowner can bank this surface water that is recharged to groundwater under the following conditions:

1. The surface water purchased must be applied directly to a specific groundwater recharge basin that meets the minimum GSA requirements for a groundwater

Policy 2: Groundwater Banking at the Landowner Level

recharge basin. The location of the basin must be registered with the GSA to receive any credits.

- All surface water diverted to the landowner is required to be metered per GSA metering requirements.
 - Surface water diverted will be credited to the landowner at 90% of the surface water diverted. The remaining 10% credit will remain with the GSA for the benefit of all the landowners.
 - The groundwater credits issued to the landowners will be available and carried over to subsequent years. The term of the credits will be perpetual. The groundwater credits can also be transferred, sold, or leased to other landowners based upon the GSA groundwater transfer criteria.
2. Landowners can also use District owned recharge facilities to generate groundwater credits subject to the following criteria:
- The landowner provides water from available allocation, purchase or water rights
 - Use of the District recharge facility is subject to available capacity as determined by the District
 - Groundwater credits will be credited to the landowner account at 75% of the surface water diverted. The remaining 25% credit will remain with the GSA for the benefit of all the landowners.

Lower Tule River Irrigation District Groundwater Sustainability Agency

WATER ACCOUNTING AND WATER TRANSFERS

To effectively achieve groundwater sustainability within the GSA and the Tule Subbasin, while maintaining the agriculture operations during the implementation of SGMA, each landowner within the GSA will be provided a baseline groundwater credit. These groundwater credits act as an individual water bank account for each landowner, allowing each landowner to decide how to feasibly and economically manage their farm operation within the rules established by the GSA and the Tule Subbasin.

Water Accounting:

To adequately track, monitor, and account for the water credits within the GSA, the following water budget will be established and monitored for each landowner¹ in the GSA:

Groundwater Credit Inputs:

Definition:

Tule Subbasin Sustainable Yield

Common Groundwater available to all landowners within Tule Subbasin, defined under Subbasin Coordination Agreement

Precipitation Yield

Annual average precipitation in the GSA, calculated from 1991 going forward. Precipitation yield credits are not transferrable.

Districted Allocated Groundwater Credits

Allocated by the Board annually. Based on water diverted for recharge by the District, along with canal seepage losses in District canals. Allocated amounts will be credited to landowners proportionally based on assessed acres.

Landowner Developed Credits

Surface Water diverted by the landowner into a specified recharge basin, credited per criteria set forth in Policy 2: Banking at Landowner Level.

Surface Water over-applied by landowner beyond crop demand, credited per criteria set forth in Policy 2.

A credit or deficit for each landowner account will be accounted for on a monthly basis by the GSA.

Water Transfers:

Landowners may transfer groundwater water credits through either a direct sale or lease. The process for transferring groundwater credits is as follows:

1. Transfers within the GSA;
 1. Groundwater credits will be tracked at a land-based level. Transfers of any credits accrued to the land requires the written approval of the landowner to transfer.
 2. Groundwater credits can only be transferred by a landowner that has a positive balance in their groundwater budget. Deficit groundwater credit transferring is not allowed.
 3. For every one acre-foot of groundwater credit a Landowner transfers out of their account, they cannot use one acre-foot of Transitional Groundwater Credit in that year. They will regain access to the restricted Transitional Pumping amounts in the next year.
 4. A groundwater credit transfer is a one to one transfer within the GSA. Transfers outside the GSA are subject to the Coordination with other Tule Subbasin GSAs.
 5. All groundwater credit transfers require formal notification (GSA approved transfer template) and approval of the GSA. The GSA will keep an account of all transfers within the GSA Water Accounting Program. The sale or lease terms of the groundwater credits is between landowners and not subject to disclosure.

2. . Transfers to other GSAs;
 - General Provisions;
 - o Groundwater credits will be tracked at a land-based level.
 - o Groundwater credits can only be transferred by a landowner that has a positive balance in their groundwater budget. Deficit groundwater credit transferring is not allowed.
 - o For every one acre-foot of groundwater credit a Landowner transfers out of their account, they cannot use one acre-foot of Transitional Groundwater Credit in that year. They will regain access to the restricted Transitional Pumping amounts in the next year.
 - o Groundwater Credits can only be transferred and used in GSAs within the Tule Subbasin that have similar landowner-based groundwater accounting systems as the LTRID and Pixley GSAs.
 - o Groundwater credits may not be transferred or used outside of the Tule Subbasin.
 - o A groundwater credit transfer is a one to one transfer ratio.
 - o The maximum amount of groundwater transfers out of the GSA per year will be limited to 10,000 AF.

Policy 3: Water Accounting and Water Transfers

- The maximum amount of groundwater transfers accepted into the District per year will be limited to 10,000 AF.
 - The annual Deadline to submit transfer requests is May 1 of each year.
 - If the total transfers requested are in excess of the 10,000 AF annual limit, the transfers approved will be allocated on a per acre owned basis.
 - Example:
 - Grower A requests 6,000 AF transfer
 - Grower B requests 6,000 AF transfer
 - Grower C requests 6,000 AF transfer
 - Grower A owns 1,000 acres
 - Grower B owns 500 acres
 - Grower C owns 250 acres
 - Each landowner will be allowed to transfer 5.71 AF/AC (10,000 AF limit / 1,750 acres)
3. Administration and Approval
- a. All groundwater credit transfers require formal notification (GSA approved transfer template) and approval of the GSA. The GSA will keep an account of all transfers within the GSA Water Accounting Program. The sale or lease terms of the groundwater credits is between landowners and not subject to disclosure.
 - b. There will be a \$100 fee, per transfer, charged by the GSA for administration and coordination with the other GSAs.
 - c. In order to avoid undesirable results and avoid localized impacts, transfers into certain areas may be limited or restricted even further by the GSA.
 - i. The Groundwater Planning Commission and Board of Directors will annually review the hydrographs at each Representative Monitoring Site in the GSA to determine such restrictions for that year.
4. Implementation of the terms of this entire policy will be reviewed and determined annually by the Groundwater Planning Commission and Board of Directors. The Board of Directors reserves the right to change terms of this policy at any time.

Lower Tule River Irrigation District Groundwater Sustainability Agency

TRANSITIONAL GROUNDWATER CONSUMPTION

To assist landowners with the transition to implementation of the Sustainable Groundwater Management Act, groundwater use and extraction above basin wide sustainable yield will be phased based on periodic reviews of the GSP per the guidelines of SGMA.

The GSA will provide access to a water accounting program to track all water credits including District allocated groundwater credits, landowner developed groundwater credits, sustainable yield credits, precipitation yield credits, surface water allocations and transitional water consumption.

During the period of GSP implementation, transitional water credits (groundwater consumption above other available credits), may be consumed consistent with the following criteria:

1. Use will be consistent with the policies established for avoiding the undesirable effects under SGMA;
2. Transitional water will be available based on the following sequencing:
 - i. Surface water allocation
 - ii. Precipitation yield credits
 - iii. Sustainable yield groundwater credits
 - iv. District allocated groundwater credits
 - v. Transitional water credits**
 - vi. Landowner developed groundwater credits**

**The sequencing of the Transitional water credits and Landowner developed groundwater credits can be switched at the landowner's discretion.
3. Transitional water credits will be available based on assessed acres and made available in 5-year blocks.
4. Transitional water credits stay with the landowner to be used on properties within the GSA and cannot be transferred to other landowners.
5. An upper limit for net groundwater use, including transitional water allocations, will be established. Exceeding this limit will result in fines and reduced allocations in the next year, per Policy #8 Implementation & Enforcement of Plan Actions.
6. There will be a phased approach to the availability of groundwater for transitional water. The GSP will provide for levels of groundwater consumption that will be higher during the initial phases and decreasing over time to reach sustainable consumption levels (as required by SGMA) by 2040. The amount of Transitional water available will be determined at the beginning of each phase.
 - a. The first phase of transitional water will be from 2020 through the 2025 (2 AF/Acre/year)
 - b. The second phase of transitional water will be from 2026 through 2030

Policy 4: Transitional Groundwater Credits

- (1.5 AF/Acre/year)
 - c. The third phase of transitional water will be 2031 through 2035
(1 AF/Acre/year)
 - d. The final phase of transitional water will be from 2031 through 2040
(0.5 AF/Acre/year)
- 7. There will be a fee schedule for transitional water consumption. The fee schedule will be implemented as described below in 2020.
 - i. Tier 1 of transitional water consumption is 50% of the total transitional water allocated for the period and shall be assessed a fee of \$90 per acre foot starting in 2021. The price will be adjusted annually by the Board based on a formula using the change in the Friant Class 1 water rate.
 - ii. Tier 2 is transitional water consumption over Tier 1, up to the total transitional water allocation and shall be charged a fee of two times the rate of tier 1 transitional water consumption.
 - iii. There will be no fee applied during 2020 for the first 2 acre-feet of Transitional water consumed. Consumption over 2 acre-feet during 2020 will follow the fee schedule above.

The above fee schedule is intended to serve as both a disincentive mechanism while also relating to the cost of mitigating the impacts of use of transitional pumping allocations. The above amounts, being based on the cost of Friant Class 1 water, were based in part on an analysis of replacement water costs, and in part on the costs of groundwater production as the basis for an effective economic disincentive. Further analysis and additional justifications for the level of the fee may be considered annually by the GSA.

- 8. Revenues will be used to mitigate impacts and implement projects and programs including, but not limited to:
 - Friant Kern Canal capacity correction
 - Surface water development
 - Additional recharge basin construction
 - Monitoring impacts and effects of groundwater pumping.
 - Other projects that may be identified by the GSA. (examples could include water conservation grants to GSA members, land conservation and set-aside programs, or any other projects the GSA deems appropriate to help meet the sustainability goal).

A specific plan of mitigation will be developed and will be based on relative levels of impacts that can be shown to be associated with transitional pumping. Additional analysis, including technical analysis of projected impacts together with costs of effective and reasonable mitigation measures, will be completed as part of GSP implementation.

Lower Tule River Irrigation District Groundwater Sustainability Agency

LANDOWNER SURFACE WATER IMPORTED INTO THE GSA

District Landowners may participate in water exchanges or transfers outside of the GSA boundary that result in surface water being available for direct use by the landowner. Use of that water by the landowner within the GSA requires the use of Irrigation District infrastructure to divert this surface water to their land.

This surface water that is brought into the GSA by the landowner will be tracked and accounted by the GSA and applied to the landowner's water budget according to the following procedures:

1. Surface water brought into the GSA and credited to the landowner will be subject to a loss/reduction factor as determined by the Irrigation District Board of Directors.
2. Surface water brought into the GSA will be delivered to the landowner based upon canal capacity. No surface water delivery brought into the GSA will interrupt or interfere with scheduled allocations of the District surface water supplies.
3. Imported surface water may be used for groundwater recharge subject to the policies of the GSA.

Lower Tule River Irrigation District Groundwater Sustainability Agency

DISTRICT ALLOCATED GROUNDWATER CREDITS

The Irrigation District (District) owns and operates existing recharge basins. These basins, along with the open channel canal distribution systems, provide for both direct and indirect groundwater recharge. During times when surface water supplies beyond the irrigation needs of the landowners are available, the District uses the basins to divert the surface water for groundwater recharge. This happens most often in wetter years and comes in the form of Class Two under the Friant Contracts and flood releases from Lake Success. Recharge through channel loss in the distribution system occurs at all times when water is in the canals. These District owned facilities create additional opportunities for establishing groundwater credits beyond the Safe Yield of the Tule Subbasin.

Any groundwater credits developed through recharge basins and through loss in the distribution system remains with the District and will not be allocated in full to the landowners if a determination is made by the GSA Board that minimum threshold amounts identified in the GSP have not been met.

District Owned Land Based Groundwater Recharge Credits:

The lands owned through fee title by the irrigation district are allocated a sub basin wide Sustainable Yield. The Sustainable Yield allocated to District owned lands by virtue of being in the Tule Subbasin, may be re-allocated back to the District Landowners proportionate to the landowner's assessed acreage in the GSA.

Surface Water Recharge Groundwater Credits:

The imported surface water that is diverted for recharge by the District into District owned facilities (both recharge basins and canals) will be tracked and accounted as groundwater credits belonging to the District. The District will allocate these credits to lands within the GSA in the following manner:

- Up to 90% of the water diverted into the District groundwater recharge basins, and water accounted for as channel loss in the canals, will be available for allocation. The remaining 10% of the recharge water will not be allocated to landowners in the District as it is used to account for evaporation and other losses. Adjustments to the percent of recharge water allocated as groundwater credits may occur based on groundwater monitoring, avoiding undesirable results, and to help avoid minimum thresholds.
- The District will allocate the groundwater recharge credits proportionally to all landowners within the District by assessed acres. All District landowners pay an equal land based assessment and each landowner will be provided an equal groundwater credit based upon gross acreage owned within the District and irrespective of any

Policy 6: District Allocated Groundwater Credits

access to surface water that landowners may have through water rights, riparian water or any other surface water.

- The transfer or sale of the District groundwater recharge credits within the GSA will be permitted in accordance with Policy 3.

Lower Tule River Irrigation District Groundwater Sustainability Agency

CSD & PUD Water Use within the GSA

A community service district (CSD) is an entity formed by residents of an unincorporated area to provide a wide variety of services to its residences, particularly water and wastewater management, along with many others. A CSD may be formed and operated in accordance with the Community Services District Law (Government Code §61000-61850), which was created to provide an alternate method of providing services in unincorporated areas.

The Public Utility District Act authorizes the formation of public utility districts (PUD) and authorizes a district to acquire, construct, own, operate, and control works for supplying its inhabitants with water and other critical components for everyday life.

Within the LTRID GSA boundary are the following CSDs and PUDs ("Community):

- Tipton CSD
- Woodville PUD
- Poplar CSD

Each Community entered into an MOU with the LTRID GSA to cooperate on SGMA implementation. Consistent with Section 3 of the MOU, the Community will be considered within the boundaries of the LTRID GSA and included in the LTRID Groundwater Sustainability Plan.

Consistent with Section 6 of the MOU, LTRID will identify the Community as a separate management area. As its own management area, LTRID will specifically address the minimum thresholds and measurable objectives for the Community to achieve sustainable management.

Reporting of Community Water Use

Consistent with Section 7 of the MOU, the Community will provide LTRID the following information for determining the net groundwater usage of the Community:

On a quarterly basis:

- Each Community will submit the total of groundwater pumped from Community wells.
- Each Community will submit the total of water discharged to the wastewater treatment system that is treated and diverted to percolation/evaporation ponds

Minimum Thresholds and Measurable Objectives

The following will be considered the minimum thresholds and measurable objectives required by the Community to meet the sustainability for the implementation of the LTRID GSP for the period from January 2020 to January 2026:

- The net of water pumped minus water discharged will be considered total Community water use
- The total of all treated water discharged to percolation/evaporation ponds, less 10%, will be available to the LTRID GSA for calculation and use in total LTRID GSA water balance.
- If the Community is providing any treated discharge to adjacent lands, the Community shall provide a regular accounting to the LTRID GSA that includes total volume amount discharged and APN(s) receiving the discharge.
- The water use will be reviewed through periodic updates to the GSP and will be compared to the available sustainable yield for the community and pumping limits acceptable to the GSA, as allowed under the regulatory code of SGMA.
- Community wells will include all wells used by the Community that are connected to the Community water distribution system.
- The Community and the GSA Board of Directors agree to cooperate on conditions of approval for future growth to ensure they are consistent with GSA and Community policies including pursuing grant funding opportunities, outreach and joint projects for developing additional water supply for the Community.

Lower Tule River Irrigation District Groundwater Sustainability Agency

IMPLEMENTATION & ENFORCEMENT OF PLAN ACTIONS

This Groundwater Sustainability Plan (GSP) establishes the actions, which include the policies, projects, and implementation schedule, to achieve groundwater sustainability, in accordance with the Sustainable Groundwater Management Act (SGMA).

A major element of implementation is the establishment of the accounting system, the enforcement of regulatory fees related to that system of accounting, and identification of mitigation items to be funded through those fees. Regulatory fees, and the process for establishing them, are discussed in greater depth in Policy 4 related to Transitional Pumping policies. As noted in that policy, the level and justification for fees for transitional pumping are subject to continued analysis and decision making by the GSA governing body and will be a major element of implementation of the GSP.

Regarding enforcement, for those landowners within the GSA who do not comply with the Actions of the GSP established to achieve sustainability, SGMA provides the GSA with the authority to enforce the approved actions. The Action of the GSP which are enforceable under the GSP include:

1. Failure to pay GSA assessments or groundwater consumption fees
2. Consumption of groundwater beyond the allowable limits set forth in the GSP
3. Failure to provide the GSA with required information

In the event of noncompliance by a landowner of the GSA, the following enforcement process will be implemented:

- At the time a landowner is identified as not complying with the approved Actions of the GSP, a Notice of Non-Compliance (NONC) letter will be issued to the landowner. The NONC will identify the area(s) of non-compliance and request formal response from the landowner identifying plan to get back into compliance within 30 days.
- If the landowner does not respond to the NONC letter within 30 days, a Notice of Violation (NOV) will be issued to the landowner, stating that the landowner is now in violation of the GSP implementing SGMA. The NOV will request a meeting within 15 days to discuss a plan of action to meet compliance. At the time of issuing a NOV, an administrative fine of \$5 per acre fee will be assessed to that parcel(s) in violation, to be paid within 15 days.
- If a landowner has been determined to have consumed groundwater beyond the allowable limits, the landowner will receive a penalty of \$1,000 per acre-foot and a

Policy 8: Implementation & Enforcement of Plan Actions

reduction of groundwater credits will be applied to the landowner account. The reduction shall be the overage of consumption plus a factor of 1.5 times.

- If a landowner does not correct a NOV, a lien against the property will be filed by the GSA and the GSA will pursue action according to Water Codes Sections 25500- 26677
- If a lien has been filed against the property for outstanding balances (amounts added to assessments) from the previous year, then the landowner will not be served any surface water pursuant to Irrigation District policy.
- All fees collected will be used to for GSP implementation activities, including but not limited to, GSA administration and GSP project funding and implementation.

As with regulatory fees, all enforcement actions are subject to further refinement and definition as technical data and monitoring results are collected through the various management actions identified in the GSP.