# M E E T I N G  A G E N D A

White Wolf Projects and Management Actions (P/MA) Committee
Technical Advisory Committee (TAC) and Board Ad-Hoc Committee

*Date and Time:*
13 April 2023 at 12:00 PM

*Meeting Location:*
Remotely – Microsoft Teams
**Click here to join the meeting**
Meeting ID: 269 367 804 653
Passcode: S2ne2c
or call in: (213) 437-9052 Conference ID: 912 167 385#

*Objective: Discuss recharge credit policies and develop recommendations for the White Wolf Groundwater Sustainability Agency (GSA) Board of Directors*

1. Introductions
    a. Merging TAC and Board Ad-Hoc Committee
2. Executive Order N-4-23
    a. Key take aways
    b. Relevance for White Wolf GSA
3. Discussion on landowner recharge credit policies
    a. Open discussion on landowner participation in and experiences from recharge crediting programs in other GSAs
    b. Recharge credit policy considerations
    c. Summary of example policies considerations from other GSAs
4. Landowner recharge credit policy recommendations for the GSA Board of Directors

# 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:** 11 April 2023

**Item:** 3. Discussion on landowner recharge credit policies

**BACKGROUND**

To facilitate discussion regarding developing landowner recharge credit policy recommendations for the White Wolf Groundwater Sustainability Agency (GSA) Board of Directors, example GSA and/or District groundwater recharge/banking policies have been summarized in Table 1 and attached.

**Attached:**

(1) Arvin-Edison Water Storage District Landowner/Grower Recharge Program Agreement 2023
(2) Wheeler Ridge-Maricopa Water Storage District DRAFT Landowner/Water User Recharge Program Agreement 2023
(3) Madera County GSA 2023 Temporary Emergency Recharge Policy for Voluntary Landowner-Initiated Surface Water Recharge
(4) Shafter-Wasco Irrigation District Landowner Groundwater Recharge Policy
(5) McMullin Area GSA Water Banking Policy
(6) Lower Tule River Irrigation District GSA – suite of eight policies with Policy 2: Groundwater Banking at the Landowner Level; and District Policy on Use of Recharge Facilities
(7) Westlands Water District GSA Groundwater Recharge Terms and Conditions
(8) North Fork Kings GSA Groundwater Banking Policy
(9) Policy Principles for Porterville Irrigation District Groundwater Banking Program
(10) Tri-County Water Authority GSA Groundwater Extraction Allocations Policy and Procedures

**Table 1 - Summary of Example Existing Groundwater Banking and Recharge Policies**

| Name | Subbasin | Registration | Additional Contractual Requirements | Metering Requirements | Groundwater Credit Allocation | Leave Behind | Carryover | Recovery Time Limit | In-Ground Transfers | Place of Use | Recharge Mechanism | Reporting |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Arvin-Edison Water Storage District | White Wolf and Kern | Growers sign agreement with District and provide APN, area, and turnout information for land. | Grower is responsible for preparing land to recharge water without interfereing with District Activities. | Not specified | The District maintains ownership of and any credits for the water recharged and pays the growers $40/AF. | Not specified | Not specified | Not specified | Not specified | Water may not be used for crop consumptive use. | On-farm | Grower confirms flow to land for recharge with District daily. |
| Wheeler Ridge-Maricopa Water Storage District | White Wolf and Kern | water users sign agreement with District and provide APN, area, and turnout information for land. | Water user is responsible for preparing land to recharge water without interfereing with District Activities. | Not specified | The District maintains ownership of and any credits for the water recharged and pays the water user $25/AF. | Not specified | Not specified | Not specified | Not specified | Water may not be used for crop consumptive use. | On-farm | Grower confirms flow to land for recharge with District daily. |
| Madera County GSA (Emergency recharge policy) | Madera, Chowchilla, and Delta-Mendota | Landowners must provide application, documentation of surface water assets to be used (including evidence that the water may be used for recharge), information on recharge facilities and methods, location of wells that will be used to recover water. | Landowners must have an existing groundwater allocation and are responsible for securing a water contract or right, developing any access agreements and infrastructure necessary to deliver and recharge water, and complying with any relevant regulatory requirements. | Landowner must account for water recharged and extracted. | 75% of the total measured recharge quantity placed into the Landowner's recharge facility during calendar year 2023 | 25% | No carryover | Calendar year 2023 | Not allowed | Recovered water must be used on the same farm unit where it was recharged. | - No on-farm recharge on dairy land without Central Valley RWQCB approval.<br>-No on-farm recharge on fields that have been fertilized in the last 3 months. | Provide accurate measurement of water delivered to recharge facility (may include documents from purveyor) and of extraction and use of recharged water. |
| Shafter-Wasco Irrigation District | Kern | - Points of delivery shall be agreed upon between the landowner and the District<br>- Landowner must enter the "Landowner Recharge Agreement" with the District | The Landowner is responsible for all associated expenses and risks of the groundwater recharge facilities and any legal or regulatory compliance necessary | - Points of delivery shall be equipped with appropriate measuring, monitoring, and recording equipment such that the District can generate water delivery invoices<br>-The Landowner shall install monitoring and recording equipment that monitors groundwater levels to indicate if recharge water is being used by crops | If recharge water is being used by crops, then evaporative losses shall be deducted from the net quantity of recharge water credited to the Landowner | - 6% for "Non-Contract Water" (surface water not sourced from the Friant Division of the Central Valley Project) purchased by the landowner<br>- 53% for "Surplus Contract Water" (e.g., water categorized by the Bureau of Reclamation as Uncontrolled Season or Section 215 water, Unreleased Restoration Flows, Recovered Water Account, etc.) purchased by the landowner from the District<br>- 100% when District uses Landowner's recharge facilities to store District Surplus Contract Water or for water that the Landowner outbid the District for said water | Not specified | Not specified | Not specified | Anywhere within the District or lands contiguous with the District's boundaries | - Recharge facilities must be approved by District<br>- Fallowed farmland (no agricultural activity may occur for 3 months after the last delivery of surface water for recharge) | The landowner shall be responsible for maintaining accurate and complete accounting records for water delivered to their recharge facility, the amount of water delivered and recharged shall be reported to the District as a written report each month |
| McMullin Area GSA | Kings | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. | Not established by existing policy. |
| Lower Tule River Irrigation District GSA | Tule | The location of the recharge basin must be registered with the GSA | Not specified | Total applied surface water is metered by District | -Baseline groundwater credit is allocated by the District according to acreage and groundwater availability<br>-Surface water diverted to a recharge basin or applied to crops in excess of calculated ET is allocated to the landowner as groundwater credits | - 10% if recharged on privately owned facility<br>- 25% if recharged on District owned facility | Carried over to subsequent years | None | - Banked water can be transferred, sold, or leased<br>- No more than 10,000 AFY can be transferred in or out of the GSA | - Water banked can be used anywhere within the GSA<br>- Water banked can be used outside of the GSA boundaries only if it is within the Tule Subbasin and has similar groundwater accounting systems as LTRID and Pixley GSAs | -Basins<br>-Over irrigating crops<br>-Channel losses | All groundwater credit transfers require notification and District approval |
| Westlands Water District | Westside | Participants must submit an application to the District including a geotechnical investigation and information on evaporation rate, crop type (if applicable), and water quality | District personnel must have continued access to the recharge location. | Projects must install a dedicated water meter to measure delivered water and must quantify an evaporation rate | -Participants may receive credits for recharge on the condition that, If the District does not allocate groundwater in a given year, they do not pump wells after the commencement of recharge in the respective Contract Water Year.<br>-The amount of groundwater credit received will be allocated based on the supporting documentation. | Not specified | Not specified | Not specified | Not specified | If the District does not allocate groundwater in a given year, then groundwater wells shall not be pumped during the Contract Year after the recharge project has commenced. | - Percolation ponds/basin<br>- Over irrigating crops<br>- Sublateral<br>- Dry well injection | -Appropriate information must be provided by the Participant to quantify the volume and state the source of water being recharged by their respective method of choice.<br>-Approved Projects from the previous year(s) are required to update the source water and total quantities for the Contract Water Year. |
| North Fork Kings GSA | Kings | Landowner must submit a facilities report and enter an Groundwater Banking Agreement with the District | CEQA necessary prior to project approval | The landowner is responsible for developing an accurate accounting of the banked water including the source of all water delivered to each turnout serving the banking facility, recharge discharges, percolation rates, recharge losses to evaporation and soil profile, net augmentation to storage in the Basin, pumping extractions, amounts of water in storage and recovery, the place of use of all banked water deliveries, and changes in local groundwater conditions (including depth to groundwater, water quantity, quality, groundwater gradient and migration). | The quantity of water diverted to the bank minus the leave behind percentage is credited to the landowner upon verification by the District. | 10% | Not specified | - Banked water must be beneficially used within five years of sinking it<br>- Unused waters will revert to the native supply | - No approval required for transfers within NFKGSA boundaries<br>- Board approval allows transfers elsewhere within the Kings Subbasin | - Water banked shall only be extracted and beneficially used within the boundaries of the NFKGSA<br>- Board approval allows banked water to be used elsewhere within the Kings Subbasin | Recharge facilities and method of operation need approval by NFKGSA staff | The landowner is responsible for developing an accurate accounting of the banked water including the source of all water delivered to each turnout serving the banking facility, recharge discharges, percolation rates, recharge losses to evaporation and soil profile, net augmentation to storage in the Basin, pumping extractions, amounts of water in storage and recovery, the place of use of all banked water deliveries, and changes in local groundwater conditions (including depth to groundwater, water quantity, quality, groundwater gradient and migration). |
| Porterville Irrigation District | Tule | - Banker shall enter into an agreement with the District<br>- Prior to construction, the Banker shall submit a written report for District approval detailing accounting procedures | Banking projects are permitted as long as the quantity recovered does not exceed the amount contributed and no injury to any Basin resources occurs during the process | The Banker is responsible for developing and implementing a procedure to accurately account for all banking activities on a monthly and annual basis | Credits for water recharged and stored | Ranges between 10% and 30%, depending on recharge supply and location | Not specified | Not specified | - Banked water from the District water supply or originating in the Tule River shall only be extracted and used within District, East-Tule GSA, or Tule Subbasin boundaries<br>- Non-District and Tule River imported water can be extracted and used at any place | - If recharged water is from a District water supply it may only be used within District boundaries, the East-Tule GSA, or the Tule Subbasin<br>- If recharged water is not from a District water supply it may be used at any place permitted by law | Not specified | The Banker shall provide the District on a monthly and annual basis a written report of all groundwater banking activities in a form approved by the District. |
| Tri-County Water Authority GSA | Tule and Tulare | Landowners with land greater than 5 acres must register their respective parcels in TCWA's water accounting program | Sole responsibility of landowner to comply with applicable laws, rules, and regulations and pay for all associated costs incurred during construction and operations | Not specified | Projects that help mitigate one or more undesirable results are rewarded "landowner developed credit" by the TCWA Board based on technical data and other supportive documentation | - Depends on the place of use<br>- TCWA will adopt a separate banking policy to establish leave behind amount | Carryovers are added to landowner accounts, subject to approval by the TCWA Board | Not specified | Sustainable yield allocation may be transferred within the TCWA jurisdictional boundary or in the Tule Subbasin with approval of the TCWA Board | Within Tule and Tulare Subbasins | The landowner is solely responsible for the extent of recharge mechanisms necessary | Not specified |

**Abbreviations:**

AFY = acre-feet per year
ASR - aquifer storage and recovery
CEQA = California Environmental Policy Act
ET = evapotranspiration
GSA = Groundwater Sustainability Agency
LTRID = Lower Tule River Irrigation District
NFKGSA = North Fork Kings Groundwater Sustainability Agency
TCWA = Tri-County Water Authority

# ARVIN-EDISON WATER STORAGE DISTRICT

January 18, 2023

**Subject: Water Supply Update – Increase Surface Water Delivery**

Dear Landowner/Water User:

Mother Nature has blessed the State with above average precipitation and snowpack to date with more anticipated. Accordingly, the Bureau of Reclamation has increased its declaration for the 2022 Water Year and we are currently in an Uncontrolled Season (similar to flood releases), which is anticipated to continue into the 2023 Water Year beginning on March 1st.

Given the District's current access to these high-flow short-duration supplies, the District anticipates (beginning on or about January 27 and possibly into May 2023) groundwater recharge in its facilities, both In-Lieu and Temporary Water Service, recharge on private farmland, and banking with others.

Due to the current outage along the Friant-Kern Canal (FKC), District anticipates beginning deliveries on or about January 27. It shall be noted that while the FKC Middle Reach Project to correct subsidence impacts is on-budget and on-schedule, districts south of the Project site will have access to roughly 50% (~1,400 cfs) of historical capacity (~2,800 cfs) until January 2024. Subsequently it is yet too early to make any determination about water deliveries (full or prorate) to long-term contract lands for 2023 Water Year.

Over the past several years, the District has noted a decrease in surface water deliveries with some Water Users acknowledging their increased reliance on groundwater well(s). The Board of Director's are considering reducing water charges during these wet period opportunities. Given that the Sustainable Groundwater Management Act (SGMA) implementation has begun, **the Board of Directors encourages all District water users with long term and temporary water contracts to stop using groundwater wells and exclusively use District surface water especially during these windows of plentiful water supplies.** For the District to be successful with its SGMA plan, it is imperative that Water Users prioritize surface water over groundwater well(s).

**The District has instituted a Landowner/Grower On-Farm Recharge Program and the District is paying water users $40 per acre-foot to recharge the aquifer.** In addition, when developing land and installing new irrigation systems, please consider a dual/split system, whereby, a flood/furrow type irrigation can be included to take advantage of these situations, which can also provide beneficial leaching practices.

District staff will be contact those with Temporary Water Service Contract and In-Lieu Contracts to complete the necessary documents as required by these contracts. As a reminder, water available to lands under In-Lieu and Temporary Water Service Contracts are unreliable and can be interrupted/discontinued at any time.

All lands in the District are eligible for temporary water. For those lands that do not have a temporary contract to qualify a landowner must; 1) demonstrate that it has an active well that serves the property, and 2) be near to District distribution facilities such as a pipeline or canal.

For landowners that are interested in exploring On Farm Recharge Program (Mark Dawson) and/or Temporary Water Service Contract (Millie Kovacevich), please contact the District office for the above-named individuals in parenthesis.

Thank you,

Edwin Camp, President

Jeevan Muhar, Engineer-Manager

cc: Board of Directors/District Employees/Joe Hughes, Esq.

EC:JSM:sj\AEWSD\Landowner.Correspondence\2023\Water/Supply.Update.01.17.23.Final.docx



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ARVIN-EDISON WATER STORAGE DISTRICT

# LANDOWNER/GROWER RECHARGE PROGRAM AGREEMENT

2023

1. Arvin-Edison Water Storage District (**District**) plans to increase its ability to recharge water available to the District (**District Water**) between February ____, 2023 and May 31, 2023 (**Program Period**). The Program Period may be extended at the District's sole and absolute discretion.

2. The landowner, water user and/or grower signing below (**Grower**) is agreeable to allowing the District to recharge District Water, for the benefit of the District, on lands owned and/or controlled by the Grower identified below (**Grower's Land**) during the Program Period. The Grower represents and warrants to the District that the Grower owns or otherwise has the legal right to use the Grower's Land as a water recharge facility. The District will determine, in its sole and absolute discretion, if the Grower's Land is appropriate and acceptable for recharge of District Water under this Agreement.

3. The District's delivery of District Water to the Grower's Land for recharge will be (a) at times and volumes determined by the District in its sole and absolute discretion, and (b) made without any interference with the District's other water deliveries to the Grower.

4. The District may terminate, in its sole and absolute discretion, this Agreement at any time.

5. The District will be responsible for controlling and managing its own canals, gates, and facilities. The District will not be responsible for managing or controlling District Water following its delivery to the Grower's Land. The District's Rules and Regulations shall continue to apply and are not amended by this Agreement.

6. All District Water delivered and recharged under this Agreement will be the sole property of the District and the District will be solely entitled to any credits attributable to the recharged District Water.

7. The District shall pay the Grower for the gross volume of District Water recharged on the Grower's Land in the amount of $40/acre-foot of that water payable within 45 days after the month District Water is delivered under this Agreement for recharge through the Grower's turnout on the Grower's Land.

8. The Grower is solely responsible, at the Grower's sole cost and expense, for all preparation work, including earthwork, on the Grower's Land necessary to accept and recharge District Water under this Agreement. The Grower's preparation work shall not interfere with or delay any of the District's activities under this Agreement.

9. The Grower shall communicate daily with the District to confirm flows of District Water to the Grower's Land for recharge.

10. The Grower shall not use District Water for crop consumptive uses, and shall not allow any other party the right to use or access District Water for any purpose.

11. The Grower shall be solely responsible for managing and controlling all District Water delivered to the Grower's Land under this Agreement.

12. To the fullest extent provided by law, the Grower shall defend, indemnify and hold the District, its officers, employees and agents harmless from any and all liability, damages, or penalties, or causes of action of any nature, real or alleged, arising in connection with the Grower's actions under this Agreement; provided, however, that the Grower's indemnity shall not extend to any such liability, damages, or penalties, or causes of action caused solely by the negligent or wrongful acts or omissions of the District. The District shall have no duty to indemnify, defend or hold the Grower harmless for any claims, costs, losses, or damages or any nature whatsoever. The Grower shall have the District added as an additional named insured to any insurance policy covering the Grower's Land.

_____
Jeevan Muhar
Engineer - Manager
Arvin-Edison Water Storage District

_____
By:

_____
For:

_____
APN/s:

_____
Area (ac)/s:

_____
Turnout/s:

Wheeler Ridge- Maricopa Water Storage District

# LANDOWNER/WATER USER RECHARGE PROGRAM AGREEMENT

2023

1. Wheeler Ridge- Maricopa Water Storage District (**District**) plans to increase its ability to recharge water available to the District (**District Water**) between March_____, 2023 and May 31, 2023 (**Program Period**). The Program Period may be extended at the District's sole and absolute discretion.

2. The landowner, Farming Unit Operator and/or Water User signing below (**Water User**) is agreeable to allowing the District to recharge District Water, for the benefit of the District, on lands owned and/or controlled by the Water User identified below (**Water User's Land**) during the Program Period. The Water User represents and warrants to the District that the Water User owns or otherwise has the legal right to use the Water User's Land as a water recharge facility. The District will determine, in its sole and absolute discretion, if the Water User's Land is appropriate and acceptable for recharge of District Water under this Agreement.

3. The District's delivery of District Water to the Water User's Land for recharge will be
   (a) at times and volumes determined by the District in its sole and absolute discretion, and (b) made without any interference with the District's other water deliveries to the Water User.

4. The District may terminate, in its sole and absolute discretion, this Agreement at any time.

5. The District will be responsible for controlling and managing its own canals, gates, turnouts and facilities. The District will not be responsible for managing or controlling District Water following its delivery to the Water User's Land. The District's Rules and Regulations shall continue to apply and are not amended by this Agreement.

6. All District Water delivered and recharged under this Agreement will be the sole property of the District and the District will be solely entitled to any credits attributable to the recharged District Water.

7. The District shall pay the Water User for the gross volume of District Water recharged on the Water User's Land in the amount of $25/acre-foot of that water payable within 45 days after the month District Water is delivered under this Agreement for recharge through the Water User's turnout on the Water User's Land.

8. The Water User is solely responsible, at the Water User's sole cost and expense, for all preparation work, including earthwork, on the Water User's Land necessary to accept and recharge District Water under this Agreement. The Water User's preparation work shall not interfere with or delay any of the District's activities under this Agreement.

9. The Water User shall communicate daily with the District to confirm flows of District Water to the Water User's Land for recharge.

10. The Water User shall not use District Water for crop consumptive uses, and shall not allow any other party the right to use or access District Water for any purpose.

11. The Water User shall be solely responsible for managing and controlling all District Water delivered to the Water User's Land under this Agreement.

12. To the fullest extent provided by law, the Water User shall defend, indemnify and hold the District, its officers, employees and agents harmless from any and all liability, damages, or penalties, or causes of action of any nature, real or alleged, arising in connection with the Water User's actions under this Agreement; provided, however, that the Water User's indemnity shall not extend to any such liability, damages, or penalties, or causes of action caused solely by the negligent or wrongful acts or omissions of the District. The District shall have no duty to indemnify, defend or hold the Water User harmless for any claims, costs, losses, or damages or any nature whatsoever. The Water User shall have the District added as an additional named insured to any insurance policy covering the Water User's Land.

_____

Sheridan Nicholas, Engineer – Manager
Wheeler Ridge- Maricopa Water Storage District

_____

By:

_____

For (Water User/Farming Unit):

APN(s)/Turnout(s):

| **APN** | **Turnout No.** | **Approved/Denied** |
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**2023 Temporary Emergency Recharge Policy**
**For Voluntary Landowner-Initiated Surface Water Recharge**

The Madera County GSA in the Madera, Chowchilla, and Delta-Mendota Subbasins (County GSA) needs an emergency recharge policy to facilitate recharge when surplus surface water is available in wet years and flood situations, such as the current conditions as of January 2023. Once adopted by the Board of Supervisors (acting as the Board of Directors for the County GSAs), this policy shall allow a participating Landowner to receive a partial credit that can be used in lieu of or in conjunction with their 2023 groundwater allocation for irrigation within the County GSA during the 2023 calendar year.

While several elements of a recharge policy are still only qualitative, the County GSA intends to recognize an approximate recharge credit for compliant recharge operations during the 2023 calendar year. The following constitutes the 2023 Temporary Emergency Recharge Policy.

**Policy**

The County GSA sets forth the following requirements and conditions for the 2023 Temporary Emergency Recharge Policy:

1. Participation shall be limited to owners of record of real property (Landowners) within the County GSA who meet all requirements and agree to comply with all the terms and conditions set forth below.
2. To be considered for a recharge credit, the Landowner must:
    a. Have an existing groundwater allocation as of January 1, 2023
    b. Complete the 2023 Temporary Emergency Recharge Program Landowner Application and Agreement form and submit any and all required supporting documentation.
    c. Provide documentation of the surface water asset(s) being used for recharge, such as a contract with a surface water purveyor or a water right, including representation that the source water is permitted for underground storage within the County GSA.
    d. Provide information regarding the intended recharge method/facility (location, planned actions, etc.).
    e. Provide location of groundwater well(s) that will be used for extracting recharged water during 2023 for purposes of irrigation within the same farm unit in the County GSA.

   f. Provide accurate measurement into the recharge facility using reasonable measurement methods (note: this could include documents from the contracting water purveyor regarding diverted quantities).
   g. Provide accurate measurement of extraction and use of recharged water.
   h. Put the recharged water to beneficial use on designated parcel(s) during the 2023 calendar year.
3. Landowner shall be solely responsible for:
   a. Securing a contract with a surface water purveyor and/or a water right.
   b. Any and all fees associated with securing a contract with a surface water purveyor, a water right, and the cost of any surface water.
   c. Any infrastructure necessary to enable the recharge.
   d. Securing and constructing any necessary or appropriate private encroachments through adjacent parcels for the delivery of water and any other regulatory approvals if needed.
   e. Any permitting or other regulatory requirements necessary to participate, including all Federal, State, and/or local agency requirements.
4. The County GSA has no obligation whatsoever related to the Landowner acquiring necessary approvals to participate.
5. Limitations:
   a. No on-farm recharge shall occur in Dairy Land Application Areas unless the Landowner has provided notification and received concurrence from staff of the Central Valley Regional Water Quality Control Board.
   b. No on-farm recharge shall occur on an agricultural field that has had fertilizer applied within the last three months.
6. Recharge Credit will be calculated as 75% of the total measured recharge quantity placed into the Landowner's recharge facility during calendar year 2023. Credit shall be applied to the same farm unit as that of the Landowner's recharge facility from which credit is generated.
   a. The Recharge Credit will be available to the Landowner for agricultural irrigation purposes only during calendar year 2023, and any remaining Recharge Credit as of January 1, 2024 will be forfeited to the subbasin.
7. Recognizing time is of the essence for this 2023 Temporary Emergency Recharge Policy, the County GSA reserves the right to modify these conditions and requirements as may be necessary based on reasonable information to assure consistency with applicable Federal, State, or local laws or regulations. Landowner's voluntary participation pursuant to this 2023 Temporary Emergency Recharge Policy is unique and shall not be consider as a precedent for future County GSA recharge program requirements and conditions.

# 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 is 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, implement 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:_____

# 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* transfer[2], 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 Group[3] 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, Batth, Cameron, Pacheco, Singh
NOES:
ABSENT:

_____
Jeevan Singh, Chairperson

ATTEST:

MATTHEW H. HURLEY, Secretary

_____

Approved as to legal form and effect:

_____
Legal Counsel

**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

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

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 landowner[1] 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.<br><br>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;
        - Groundwater credits will be tracked at a land-based level.
        - 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.
        - 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.
        - 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.
        - Groundwater credits may not be transferred or used outside of the Tule Subbasin.
        - A groundwater credit transfer is a one to one transfer ratio.
        - The maximum amount of groundwater transfers out of the GSA per year will be limited to 10,000 AF.

- 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

(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 GSP.

## 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

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 pursing 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

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.

**September 2022**

## DISTRICT POLICY ON USE OF RECHARGE FACILITIES

Background

One of the purposes of the Lower Tule River Irrigation District is to enhance the groundwater resources that underlie the District through the importation of surface water. The District overlies the Tule Subbasin Groundwater Basin, which has been defined by the State of California as being in a state of critical overdraft. Since it's formation in 1950, the District has imported as much surface water as possible to offset the use of groundwater for irrigation purposes and to replenish the aquifer through direct recharge via sinking basins, river channels and unlined canals. The District's efforts are funded through assessments and water charges paid by landowners in the District.

In 2014, the State of California passed the Sustainable Groundwater Management Act (SGMA), which regulates the use of groundwater in the State of California. Groundwater Sustainability Plans, under SGMA, are to be implemented by January 1, 2020. As part of the SGMA process the District GSA has determined that in addition to the District recharging groundwater on behalf of all landowners, it will also be important for the landowners to be able to recharge groundwater and create groundwater pumping credits.

The Board of Directors of Lower Tule Irrigation District therefore adopts the following Policy:

### LANDOWNER USE OF DISTRICT OWNED RECHARGE FACILITIES

In the event that a Landowner has water **purchased from the District** in excess of irrigation needs available for recharge, and the District has available capacity in recharge facilities, upon approval of the District, the landowner can recharge water in the District facilities and the groundwater credits generated from this recharge activity will be shared as follows: 25% of the credits allocated to the District on behalf of all landowners and 75% of the credits allocated to the landowner owning the recharge water. Landowner use of District Recharge facilities cannot interrupt or interfere with District recharge activities.

### DISTRICT USE OF LANDOWNER OWNED RECHARGE FACILITIES

In the event that the District General Manager determines there is a benefit to the District because of location or other factors, and a landowner wants to make their property or facilities available for District use, the following terms shall apply to the District Use of Landowner Facilities:

1. For recharge on behalf of all District lands, the groundwater credits generated from this recharge activity will be shared as follows: 75% of the credits allocated to the District on behalf of all landowners and 25% of the credits allocated to the landowner owning the recharge facility.
2. For any infrastructure improvements needed for use of the facility, the following shall apply:
    a. For infrastructure to be used solely for District purposes, such as a turnout, shall be paid for by the District.
    b. For Infrastructure to be used by both the District and the Landowner, such as turnouts, berms and pipelines, the cost shall be shared by the District and the landowner on a basis agreed upon by the Landowner and the General Manager of the District.
3. The District may use the facility during a normal surface water allocation period, or any other time that the Landowner is not using it.
4. General maintenance of the property is the responsibility of the landowner.

5. For any landowner who wants to take advantage of this policy, the District General Manager shall develop and provide a memo outlining the terms of use, consistent with this policy, specific to their parcel.

The District Board will update this policy as conditions warrant, based on operational and policy issues identified as the policy is implemented.

August 2nd, 2022

# Westlands Water District
## Groundwater Recharge Terms and Conditions

Westlands Water District (District) Groundwater Sustainability Agency (GSA) adopted the Westside Subbasin Groundwater Sustainability Plan (GSP) to comply with the Sustainable Groundwater Management Act (SGMA) in 2020. The GSP identifies projects that may be implemented by water users or the District to generate "groundwater credits" for future use.

The Groundwater Recharge Terms and Conditions (Terms) are intended to promote conjunctive use in the Westside Subbasin and to inform the implementation of the GSP. "Groundwater Credits" will be allocated to the water users who develop a qualifying recharge project and provide the District data to support the project's recharge benefits to the groundwater subbasin. All "groundwater credits" shall be subject to the Article 1, Regulations for Groundwater Allocation Program and Use of Groundwater within the Westside Subbasin (Rules and Regulations) and policies pursuant the District's GSP as they may be updated over time. Policies governing "groundwater credits" may include *but are not limited to* avoidance of undesirable results, quantification, transfer, and a leave-behind quantity (accounting for losses).

Interested participants must follow the Terms listed below to receive groundwater credit:

1. **Application conditions are as follows:**
    a. Wells shall be furnished with a (District approved) meter.
    b. Opening meter readings are required from all groundwater wells[1].
    c. Continued access by District personnel.
    d. If the District does **not** allocate groundwater in a given year, then *Groundwater wells shall not be pumped during the Contract Year after the recharge project has commenced. Exceptions may be granted if capacity limitations exist on the District's distribution system or the recharge project is dependent on surging the groundwater well.*

2. A participant may recharge the Westside Subbasin through one of the following methods:
    a. Percolation ponds/basin
        i. Land selected for this activity must be favorable for passive recharge. Project will not be accepted if lands are drainage impaired or have geology that could create a perched water condition.
    b. Over irrigating crops
    c. Sublateral

[1] The participant must provide access to all groundwater well(s), including but not limited to well(s) located inside of a locked structure. Failure to do so will delay the application review process.

   d. Dry well injection
3. Approved projects are required to install a dedicated water meter to measure the amount of water delivered to the recharge project. For projects that are shared by multiple water users (e.g., Percolation Basin with one meter), the groundwater credit(s) will be allocated to the applicant. Groundwater credits will only be allocated to water users that meet Term 1 requirements.
4. Participants are required to comply with the Checklist set forth below and provide the District with the following information in the application:
   a. Geotechnical Investigation
      i. Exploratory Boring with Soil Permeability Analysis (recommended)
      ii. Nearby Well Completion Reports (recommended)
   b. Evaporation Rate (if applicable)
   c. Crop type (if applicable)
   d. Water Quality
      i. Recharged Water (required for all non-SLC water types)
      ii. Native Groundwater at Project site
      iii. Commingled Water Quality
5. Appropriate information must be provided by the Participant to quantify the volume of water being recharged by the respective method. Water account and project specific information provided by the water user shall remain confidential. The amount of groundwater credit received will be allocated based on the supporting documentation and subject to staff's review.
   **a. Supporting technical information for the participant's recharge project must be stamped by a professional geologist or engineer (if applicable).**

6. Approved Projects from the previous year(s) are required to update the source water and total quantities for the Contract Water Year. (See Page 6)

7. Participant shall indemnify, hold harmless and defend the District and each of its officers, officials, employees, agents and volunteers from any liability, claim of liability, damage, or claim of damage of any nature whatsoever, including any legal action brought by any third party, with respect to property damage, personal injury or death, or claims concerning the control, carriage, handling, use, disposal, or distribution of recharge water up to the point of delivery, incurred by the District, Participant or any other person, and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses),

arising or alleged to have arisen directly or indirectly out of performance of this Application. Participant's obligations under the preceding sentence shall apply regardless of whether the District or any of its officers, officials, employees, agents or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active negligence or willful misconduct of the District or any of its officers, officials, employees, agents or volunteers.

If you have any questions regarding the Terms, please contact Antonio Solorio (asolorio@wwd.ca.gov) at (559) 241-6244.

Westlands Water District

## CHECKLIST (Include with Application)

Participant Contact Information

- ☐ Name, Company, Email, Phone

Participant Project Information/Support

- ☐ Type of Project
- ☐ Meter Information (Number and Location)
- ☐ Project Layout
- ☐ Location of Project
- ☐ Source of Supply
- ☐ Capacity of Project (AF daily and annually)
- ☐ Total Recharge time-period
- ☐ Backup Documentation (varies by project)

***WWD STAFF ONLY***

| | |
|---|---|
| Application Date | |
| Date of Approval | |
| Total Groundwater Credit | |
| Recharge Project Number | |

Westlands Water District

# New Groundwater Recharge Project Application

| **1. Participant Information and Recharge Request:** | | | | |
|---|---|---|---|---|
| Company | | | Field ID(s) | |
| Water User Account | | | District Turnout Number(s) | |
| Contact Name | | | Proposed Recharge Start Date | |
| Contact Number | | | Proposed Amount of Recharge (AF) | |
| Email | | | Aquifer to be recharged | |

| | **2. Source(s) of Water Supply (Check all Box(es) that apply and provide supporting information):** | |
|---|---|---|
| | Water Source | Quantity (AF) |
| | Central Valley Project Water | |
| | Section 215 | |
| | Supplemental Water | |
| | Other (Identify source and attach water quality characteristics) | |

3. **Recharge Project Type:**

☐ Percolation Ponds/Basins
☐ Over/Flood Irrigation
☐ Sublateral
☐ Dry Well Injection

4. I hereby acknowledge the Groundwater Recharge Terms and Conditions and agree that all groundwater credits are subject to the policies, Rules and Regulations of the Westside Subbasin Groundwater Sustainability Agency and its GSP.

By: _____ Date: _____

Print Name: _____

Westlands Water District

# New Groundwater Recharge Application Form

| | | |
|---|---|---|
| **Groundwater Recharge Project Type**<br>☐ Percolation Ponds/Basins<br>☐ Over Irrigation (Flood Irrigation)*<br>☐Sublateral<br>☐ Dry Well Injection | | |
| **Project Location** | | |
| | Description: | |
| | APN(s): | |
| | Map: | ☐ Attachment Required |
| | Site Layout (including dimensions): | ☐ Attachment Required |
| | GW Credit Calc. Methodology | ☐ Attachment Required |
| **Recharge Properties (Projected)** | | |
| | Infiltration Rate | |
| | Evaporation Rate | |
| | *Geological Properties (hydraulic conductivity, percentage of coarse sediment, etc)* | |
| | *Geotechnical Investigation (pre and post project)* | Check all that apply (attachment(s) required)<br>☐ Cone Penetration Test<br>☐ Exploratory Boring (recommended)<br>☐ Recharge Study in the vicinity<br>☐<br>Other:_____ |
| ***Water Quality (Pre-Project)*** | | |
| | Native Groundwater | |
| | Source Water | ☐ Attachment Required |
| | *Depth to Water Table (bgs)* | |
| | Surrounding Monitoring Locations | |

*Separate forms are required for each location or if crops differ.

***WWD STAFF ONLY***

| | |
|---|---|
| Application Date | |
| Date of Approval | |
| Total Groundwater Credit | |
| Recharge Project Number | |

Westlands Water District

# Renewal of Approved/Existing Groundwater Recharge Project Form

1. **Participant Information:**

| |
|---|
| Name of Recharge Project: |
| Contact Name: |
| Proposed Recharge Start Date: |
| Proposed Amount of Recharge (AF): |
| Date of Last O&M event*: |

*O&M Event include, but not limited to, removal of silts, backwashing, or any other maintenance event required to efficiently recharge

| **2. Source(s) of Water Supply (Check all Box(es) that apply and provide supporting information):** | | |
|---|---|---|
| | Water Source | Quantity (AF) |
| | Central Valley Project Water | |
| | Section 215 | |
| | Supplemental Water | |
| | Other (Identify source and attach water quality characteristics) | |

3. I hereby acknowledge the Groundwater Recharge Terms and Conditions and agree that all groundwater credits are subject to the policies, Rules and Regulations of the Westside Subbasin Groundwater Sustainability Agency and its GSP.

By: _____ Date:_____

Print Name: _____

**NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY**
**GROUNDWATER BANKING POLICY**

## *BACKGROUND*

California law permits a party who has a separate legal right to surface water developed from a source that is separate and distinct from the natural or native groundwater supplies existing in a common Basin aquifer to use the developed water for beneficial use. A party that owns a developed water supply "may use the supply by commingling the water with the native supplies and may subsequently recapture the developed water." (*City of Los Angeles v. City of Glendale* (1943) 23 Cal.2d 68, 76-78.) The recapture right includes the amount equivalent to the augmentation contributed by the water stored (either by direct recharge or return flows from water deliveries) (*City of Los Angeles v. City of San Fernando* (1975) 14 Cal.3d 199, 260.) Banking projects are permitted to recharge, store and recover water placed in the Basin aquifer so long as the quantity recovered does not exceed the amount contributed and none of the banking activities cause injury to any Basin resource or the rights of other users of water in the process. If a person entitled to the use of the water fails to use beneficially all or any part of the water for the purpose for which it was appropriated for a period of five years, that unused water shall revert to the public. (*Water Code Section* 1241.)

## *OBJECTIVES*

The objectives in pursuing this groundwater banking policy on behalf of the NFKGSA include the following:

- Improve groundwater conditions;
- Increase water supplies;
- Assist in meeting GSP objectives;
- Provide flexibility to landowners; and
- Ensure no negative impacts to overlying owners.

## *POLICY*

This policy shall apply to all lands within the NFKGSA's jurisdictional boundary except those entities which have adopted their own banking policy. A list of such entities is attached hereto as Appendix A.

## *GROUNDWATER BANKING PROJECTS*

If a landowner intends to bank his/her own sources of surface water supply in the underground and subsequently transfer that supply to another party, then the landowner shall comply with the following:

*Banking.*[1] A Landowner within the NFKGSA shall be eligible to develop, operate and maintain a groundwater bank within the NFKGSA provided it enters into a written agreement as defined below with the NFKGSA. Landowner may also contract with a third party to develop, operate and maintain a groundwater bank within the NFKGSA, provided such third party enters into a written agreement as defined below with the NFKGSA.

*Facilities Report and Groundwater Banking Agreement*. Landowner shall first submit a written facilities report ("Facilities Report") to NFKGSA staff containing the following information:

a. The banking site location (Assessor Parcel Number, legal description, and GIS map).
b. The conveyance and distribution facilities and manner and method of operation.
c. The recharge facilities and the manner and method of operation.
d. The recovery facilities (landowner and/or project extraction wells) and the manner and method of operation.
e. The energy facilities (electric, diesel, solar, etc.).
f. The schedule for permitting, construction and commencement of operation.
g. The plan of operation, maintenance, repair and replacement of banking facilities.
h. The intended source of all banking water supplies (e.g., Kings River water or other local surface waters, Central Valley Project, third party exchange/transfer supplies, other).
i. The banking accounting, measurement, monitoring and reporting procedure.
j. A Monitoring and Operational Constraint Plan (MOCP) to ensure that unacceptable impacts to neighboring crops, well flow rates, water levels and quality are prevented and/or adequately mitigated.

Once NFKGSA staff has determined the Facilities Report is complete, Landowner and NFKGSA shall enter into a Groundwater Banking Agreement.

*California Environmental Policy Act & Project Approval*. Prior to NFKGSA's approval of the proposed Banking project, and prior to commencement of construction or operation of banking facilities, Landowner shall comply with any applicable California Environmental Policy Act (Public Resources Code §21000, et. seq., "CEQA") requirements. NFKGSA shall act as the lead agency under CEQA regarding the preparation of documents required to carry out or approve a groundwater banking project authorized pursuant to this policy. Implementation of this policy and the approval of any groundwater banking project pursuant to this policy are subject to compliance with CEQA and the Landowner shall be responsible for the payment of all costs and expenses incurred by the NFKGSA and the Landowner relating to such compliance.

*Surface Water Available for Banking*. Landowner is solely responsible for locating, purchasing, accessing, or otherwise acquiring, surface water for purposes of banking in the NFKGSA.

*Banking Leave Behind*. In order to insure that a groundwater banking project will protect the health of the basin and provide some benefit to the NFKGSA, its landowners and water users, Landowner shall leave in storage in the Basin aquifer to the credit of the NFKGSA's Sustainable

[1] The NFKGSA does not currently intend to directly develop, operate and maintain a groundwater bank itself, but does expressly reserve its authority to revise these principles to include NFKGSA groundwater banking in the future should it be deemed necessary and proper.

Yield[2] the percentage amount of the total water reported, based on the type of water banked, on an annual basis according to the following table:

| WATER SUPPLY | PLACE OF USE<br>NFKGSA |
|---|---|
| LOCAL SURFACE WATER SUPPLIES[3] | 10% |
| IMPORTED SURFACE WATER SUPPLIES[4] | 10% |

*Procedure*. Upon diversions to the bank, Landowner shall report total quantities of water diverted into the underground to the NFKGSA. NFKGSA staff shall then confirm the quantity with the surface water delivery entity, deduct the applicable leave behind percentage, and credit the remaining quantity of water to the Landowner's surface water bank account.

*Place of Use*. Any water banked by Landowner shall only be extracted and beneficially used within the boundaries of the North Fork Kings Groundwater Sustainability Agency to the extent provided in the leave behind requirements stated above. Upon board approval, banked water may be used elsewhere within the Kings Subbasin (Bulletin 118, 5-22.08) subject to applicable leave behind requirements based on the circumstances of the project.

*Transfers.* Any water banked by Landowner may be transferred, provided the transferee will use the transferred water within the boundaries of the North Fork Kings Groundwater Sustainability Agency. Upon board approval, banked water may be transferred for use elsewhere within the Kings Subbasin (Bulletin 118, 5-22.08) subject to applicable leave behind requirements based on the circumstances of the project.

*Banking Accounting, Measurement, Monitoring and Reporting Procedure*. Landowner shall be responsible for developing and implementing a procedure to accurately account for all banking activities on a monthly and annual basis, including the following: the source of all water delivered to each turnout serving the banking facility, recharge discharges, percolation rates, recharge losses to evaporation and soil profile, net augmentation to storage in the Basin, pumping extractions, amounts of water in storage and recovery, the place of use of all banked water deliveries, and changes in local groundwater conditions (including depth to groundwater, water quantity, quality, groundwater gradient and migration).

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[2] Sustainable Yield has the same meaning and effect as that defined in the NFKGSA's Groundwater Sustainability Plan.

[3] "Local surface water supplies" shall include all water derived from local surface tributaries naturally occurring in the Kings Subbasin.

[4] "Imported surface water supplies" shall include all other surface waters other than those defined as "Local Surface Water Supplies" and shall include, but not be limited to, waters from: the Central Valley Project, and neighboring subbasins.

*Term*. Landowner must beneficially use the water within five years from sinking it in the underground. Failure to do so will result in said unused waters reverting to the native supply, as defined in the NFKGSA Groundwater Sustainability Plan, of the NFKGSA.

*Water Quality Standards*. Landowner shall insure that all water diverted into the underground does not result in unacceptable deterioration of groundwater quality contrary to applicable NFKGSA GSP water quality objectives or as required in any MOCP approved by the NFKGSA.

*Legal Compliance*. Landowner shall be solely responsible for complying with all applicable Federal, State and local laws, and rules and regulations, including but not limited to CEQA. At the NFKGSA's discretion, Landowner shall provide the NFKGSA with a copy of any permit, order, agreement, environmental document, judgment or other record requested indicating Landowner's compliance with applicable laws.

*Facilities*. Landowner shall be solely responsible for determining the nature, location and extent of the necessary facilities for banking. All costs of design, permitting, construction, operation, maintenance, repair and replacement and all other costs and expenses of a groundwater banking facility shall be the sole responsibility of Landowner.

*Indemnification*. Landowner shall indemnify, defend and hold harmless the NFKGSA, its board of directors, officers, employees, agents, assigns on account of 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, arising out of or connected with the development, operation and maintenance of a groundwater bank.

*Administration*. Landowner shall reimburse the NFKGSA for its reasonable costs and expenses incurred, as determined by the NFKGSA, to prepare or review the agreements, reports, plans and other documents and materials relating to the administration of this Policy.

# POLICY PRINCIPLES FOR PORTERVILLE IRRIGATION DISTRICT

# GROUNDWATER BANKING PROGRAM

December 12, 2017

In furtherance of the District's project to manage surface and groundwater supplies available within the District, the District authorizes landowners within the District to develop, operate and maintain groundwater banking projects within District boundaries according to the following principles:

1. Rules & Regulations. Subject to the District rules and regulations relating to the availability, priority of use, and pricing of District water supply, a landowner in the District may operate a groundwater banking project within District boundaries.

2. Legal. California law permits a party who has a separate legal right to surface water developed from a source that is separate and distinct from the natural or native groundwater supplies existing in a common Basin aquifer to use the developed water for beneficial use. A party that owns a developed water supply "may use the supply by commingling the water with the native supplies and may subsequently recapture the developed water." (*City of Los Angeles v. City of Glendale* (1943) 23 Cal.2d 68, 76-78.) The recapture right includes the amount equivalent to the augmentation contributed by the water stored (either by direct recharge or return flows from water deliveries) (*City of Los Angeles v. City of San Fernando* (1975) 14 Cal.3d 199, 260.) Banking projects are permitted to recharge, store and recover water placed in the Basin aquifer so long as the quantity recovered does not exceed the amount contributed and none of the banking activities cause injury to any Basin resource or the rights of other users of water in the process.

3. District Objectives. The District adopts these policy principles based on its determination that District approval of groundwater banking activities conducted according to these principles will benefit the District, its landowners and water users, in the following respects:

    a. Increase the total water supply available in the District.
    b. Improve groundwater conditions within the Tule Subbasin (Bulletin 118, Subbasin 5-22.13, hereafter "Basin") and the District.
    c. Contribute to the reduction of District and landowner costs to produce groundwater.
    d. Increase the diversification of water supplies available in the District.
    e. Facilitate landowners needs to obtain water for beneficial use in the District; and
    f. Facilitate the District's compliance with the Sustainable Groundwater Management Act.

4. Groundwater Banking Agreement. A party eligible to develop, operate and maintain a groundwater bank within the District is required to be a current owner (in good standing) of land within the District boundaries and/or a third party with a written agreement with such a landowner of the District ("Banker"). Prior to commencement of construction or operation

of banking facilities, the Banker shall enter into a groundwater banking agreement with the District to provide for groundwater banking activities consistent with these principles. Any written agreement between a landowner authorizing a third party to develop, operate and maintain a groundwater bank within the District boundaries on behalf of a landowner shall be submitted and approved by the District. The District does not currently intend to directly develop, operate and maintain a groundwater bank but does expressly reserve its authority to revise these principles to include District groundwater banking in the future should it be deemed necessary and proper.

5. Banking Facilities. The Banker shall be solely responsible for determining the nature, location and extent of the necessary banking facilities. All costs of design, permitting, construction, operation, maintenance, repair and replacement and all other costs and expenses of a groundwater banking facility shall be the sole responsibility of the Banker. Prior to commencement of construction and operation of groundwater banking facilities the Banker shall submit and obtain approval from the District of a written report containing the following information:

    a. The banking site location (Assessor Parcel Number, legal description, and GIS map).
    b. The conveyance and distribution facilities and manner and method of operation.
    c. The recharge facilities and the manner and method of operation.
    d. The recovery facilities (landowner and/or project extraction wells) and the manner and method of operation.
    e. The energy facilities (electric, diesel, solar, etc.).
    f. The schedule for permitting, construction and commencement of operation.
    g. The plan of operation, maintenance, repair and replacement of banking facilities.
    h. The intended source of all banking water supplies (e.g., Central Valley Project, local surface waters [Tule River], third party exchange/transfer supplies, other).
    i. The banking accounting, measurement, monitoring and reporting procedure.
    j. A Monitoring and Operational Constraint Plan (MOCP) to ensure that unacceptable impacts to neighboring crops, well flow rates, water levels and quality are prevented and/or adequately mitigated.

6. Banking Leave Behind. In order to insure that a groundwater banking project will protect the Basin and benefit the District, its landowners and water users, the Banker shall leave in storage in the Basin aquifer to the credit of the District's storage master account the percentage amount of the total water reported, on an annual basis, to have augmented the storage in the Basin according to the following table:

| WATER SUPPLY | PLACE OF USE | | | |
|---|---|---|---|---|
| | PORTERVILLE ID | EAST-TULE GSA | REMAINDER OF TULE SUB-BASIN | ANY OTHER LAWFUL PLACE |
| WATER AVAILABLE TO THE DISTRICT AND DESIGNATED FOR IRRIGATION DELIVERY | 20% | X | X | X |
| WATER AVAILABLE TO THE DISTRICT AND DESIGNATED FOR GROUNDWATER RECHARGE | 10% | 20% | X | X |
| WATER AVAILABLE TO THE DISTRICT AND DESIGNATED FOR OUT OF DISTRICT SALE | 10% | 20% | 30% | X[1] |
| NON-DISTRICT WATER FROM THE TULE RIVER TRIBUTARY TO THE BASIN | 10% | 20% | 30% | X[2] |
| OTHER NON-DISTRICT WATER SUPPLY | 15% | 15% | 15% | 15% |

The term "water available to the District" means all Central Valley Project, Tule River or any other water supply which the District owns and is otherwise required to manage and deliver to landowners and water users within the boundaries of the District. An example illustrating application of the leave behind requirements in the table above is, if 1,000af of water available to the District and designated for out of district sale was banked by the Banker and reported as augmenting the storage in the Basin pursuant to this policy then: 900af could be extracted by the Banker if used within Porterville ID; 800af could be extracted if used within the East-Tule GSA boundary; and 700af could be extracted if used within the remainder of the Tule-Basin but outside of the East-Tule GSA boundary. The District's storage master account would be credited respectively in the amount of 100af, 200af or 300af. The District

[1] The District reserves the right to approve additional uses on a case-by-case basis.

[2] The District reserves the right to approve additional uses on a case-by-case basis.

will determine, in its sole discretion, the use of the water stored and credited to the District in its storage master account resulting from any groundwater banking activities.

7. Place of Use. Any water credited to the Bankers storage sub-account originating from a District water supply, along with water originating from the Tule River, shall only be extracted and beneficially used within the boundaries of the District, the East-Tule Groundwater Sustainability Agency, or the Tule Subbasin (Bulletin 118, 5-22.13) to the extent provided in the leave behind requirements stated in Paragraph 6 above. Any water recharged, stored and credited to the Bankers storage sub-account originating from other non-District imported water supplies may be extracted and beneficially used at any place permitted by law in accordance with the leave behind requirements stated in Paragraph 6 above. It is anticipated that the District will review the leave behind (Paragraph 6) and place of use (Paragraph 7) provisions of this policy, and any other provision deemed necessary by the District, in conjunction with the five year review conducted by the Department of Water Resources following the District's initial submittal of its Groundwater Sustainability Plan in 2020.

8. Priority of Use of District Water. All District water supplies available for groundwater banking shall be subject to the District policies, rules and regulations regarding priority for allocation and use of water by landowners and water users within the District.

9. Water Quality Standards. The Banker shall insure that all water diverted into groundwater banking recharge facilities and stored in the Basin aquifer does not result in unacceptable deterioration of groundwater quality contrary to applicable Tulare Lake Basin Plan water quality objectives or as required in any MOCP approved by the District.

10. Banking Accounting, Measurement, Monitoring and Reporting Procedure. The Banker shall be responsible for developing and implementing a procedure to accurately account for all banking activities on a monthly and annual basis including the following: the source of all water delivered to each turnout, recharge discharges, percolation rates, recharge losses to evaporation and soil profile, net augmentation to storage in the Basin, pumping extractions, amounts of water in storage and recovery, the place of use of all banked water deliveries, changes in local groundwater conditions (including depth to groundwater, water quantity, quality, groundwater gradient and migration). All water recharged, stored and credited to the Banker according the groundwater banking agreement shall be identified by source of water as a separate storage sub-account exclusively for use by the Banker but under the name of the District. Prior to commencement of construction and operation of groundwater banking facilities the Banker shall submit a written report and obtain approval from the District of its proposed banking accounting, measurement, monitoring and reporting procedure. The Banker shall provide the District on a monthly and annual basis a written report of all groundwater banking activities in a form approved by the District.

11. Legal Compliance. The Banker shall be solely responsible for complying with all applicable Federal, State and local laws, rules and regulations relating to its banking activities. At the

District's discretion, the Banker shall provide the District with a copy of any permit, order, agreement, environmental document, judgment or other record requested by the District indicating the Banker's compliance with applicable laws.

12. California Environmental Policy Act. The District shall act as the lead agency under the California Environmental Policy Act (Public Resources Code §21000, et. seq., "CEQA") regarding the preparation of documents required to carry out or approve a groundwater banking project authorized pursuant to this policy. Implementation of this policy and the approval of any groundwater banking project pursuant to this policy are subject to compliance with CEQA and the Banker shall be responsible for the payment of all costs and expenses incurred by the District and the Banker relating to such compliance.

13. Indemnification. The Banker shall indemnify, defend and hold harmless the District, its board of directors, officers, employees, agents, assigns on account of 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, arising out of or connected with the development, operation and maintenance of a groundwater bank.

14. District Administration. The Banker shall reimburse the District for its reasonable costs and expenses incurred, as determined by the District, to prepare or review the agreements, reports, plans and other documents and materials relating to the administration of the groundwater banking agreement with the Banker.

**Groundwater Extraction Allocations**
**Policy and Procedures**

## 1. Findings

1.1 Portions of the Tule and Tulare Subbasins (collectively, the "Subbasins") are located within the Tri-County Water Authority ("TCWA") Groundwater Sustainable Agency's jurisdictional boundaries and have been designated by the California Department of Water Resources as high priority groundwater basins that are subject to critical conditions of overdraft.

1.2 TCWA adopted groundwater sustainability plans ("GSPs") for the Subbasins consistent with the Sustainable Management Groundwater Act ("SGMA") for the purpose of managing the Subbasins to address undesirable results including chronic lowering of groundwater levels and land subsidence.

1.3 A management action in the GSPs includes establishing groundwater extraction allocations based on the Subbasin's sustainable yield in order to mitigate the undesirable results while water projects are being developed and implemented.

1.4 TCWA's adaptive management approach set forth in its GSPs allows TCWA to make adjustments as more information is obtained, which reduces the currently-identified data gaps. Adaptive management provides flexibility where decisions can be adjusted with the ultimate goal of providing for sustainable management of the Subbasins.

1.5 The provisions in this Policy and Procedures for Groundwater Extraction Allocation ("Policy and Procedures") are transitional measures while projects are implemented to provide supplement water supply to achieve sustainability of the Subbasins and does not determine or alter water rights under common law or any provision of law (Water Code §10720.5(a)).

1.6 The Policy and Procedures is exempt from the California Environmental Quality Act ("CEQA") pursuant to Water Code Section 10728.6 and CEQA Guidelines Sections 10561(b)(3), 15307 and 15308.

## 2. Policy

Undesirable results, including overdraft conditions and land subsidence within the TCWA's jurisdiction area, must be mitigated in phases while projects to provide additional water supplies to the area are being developed and implemented.

## 3. Purpose and Approach

To assist landowners transition extractions to the basin-wide sustainable yield, allocations will be phased based on periodic reviews of the GSPs. TCWA established five (5) categories of water available to landowner's account for registered parcels in the TCWA's water accounting program. All qualified registered parcels will be eligible to receive a sustainable yield allocation. In addition to the sustainable yield allocation, qualified irrigated land, initially based on the 2018 Land IQ crop data, will be eligible to receive

Overdraft Transitional Tier 1 Groundwater Allocation subject to a civil penalty. If a landowner determines that an error has occurred in the determination of eligibility for Overdraft Transitional Tier 1 Groundwater Allocation, they may dispute the determination of the 2018 Land IQ crop data with crop records for 2018 and 2019 from the Irrigated Lands Regulatory Program or Dairy Program.

Priority of use will be as listed below:

1. Sustainable Yield Allocation / Sustainable Yield Carryover
2. Landowner Developed Credit
3. AWD Groundwater Mitigation Credit (Angiola Water District Only)
4. Overdraft Transitional Groundwater Tier 1 Allocation
5. Overdraft Groundwater Tier 2

## 4. Definitions

4.1 "2018 Land IQ Crop Data" means crop and vegetation data generated in 2018 from satellite and aerial imagery, land cover classification and analysis, and crop and vegetation mapping.

4.2 "AWD Groundwater Mitigation Credit" means any recharge credit available to Angiola Water District ("AWD") under existing agreements for purchases of water used by the AWD landowners which subsequently recharges the Subbasins.

4.3 "Carryover" means the sustainable yield allocation amount remaining unused from the prior 5-year block which can be added to the following 5-year block.

4.4 "Civil penalty" means a penalty payment per acre-feet for groundwater extraction above the sustainable yield.

4.5 "De minimis extractor" means a person who extracts two acre-feet or less per year. For the purpose of herein Policy and Procedures, an owner or operator with less than 5 acres of land is considered a de minimis extractor unless it is demonstrated that the owner or operator extracts more than two acre-feet per year. (See, Water Code §10721(e).)

4.6 "Extractions" means removing groundwater through groundwater extraction facilities for reasonable and beneficial use(s).

4.7 "Good standing" means landowners who have complied with any and all policies and procedures and ordinances of TCWA, while not subject to any form of violation, late fee, penalty or lien.

4.8 "Groundwater" means water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water. (Water Code §10721(g).)

4.9 "Groundwater extraction facility" means a device or method for extracting groundwater from within a basin. (Water Code §10721(h).)

4.10 "Imported Water" means any water, surface or groundwater, that enters into TCWA boundaries for direct irrigation.

4.11 “Irrigated lands” means lands irrigated by groundwater using a groundwater extraction facility(ies) for the active production of plant crops or livestock for market and uses incidental hereto. The 2018 Land IQ Crop Data will be initially used to determine whether a parcel is an irrigated land for the purpose of herein Policy and Procedures.

4.12 “Landowner developed credit” means an amount of water credited to landowner account for a water project or projects that has (have) been developed by a landowner and has (have) been determined by TCWA to help mitigate one or more undesirable results of either the Tule or Tulare Subbasin. Projects may include, but are not limited to, water banking and recharge projects, or other approved projects that benefit groundwater sustainability. The amount of credit to be added to any such landowner account shall be at the sole determination of the TCWA Board of Directors based on technical data and other supportive documentation. The TCWA Board of Directors shall be the final arbiter of establishing landowner developed credit to be added to a landowner account.

4.13 "Landowner water banking or recharge project” means any project developed and implemented by a landowner to reduce groundwater extraction or increase groundwater recharge to benefit either the Tule or Tulare Subbasin. Any landowner developed credit derived from landowner water banking or recharge project shall be determined by the TWCA Board of Directors based on technical and other data which must demonstrate that the project helps mitigate one or more undesirable results of either the Tule or Tulare Subbasin.

4.14 “Leave behind” means the amount of remaining allocation not subject to sustainable yield carryover.

4.15 “Overdraft Transitional Tier 1 Groundwater Allocation” means an allocation of groundwater extraction in rolling 5-year blocks to qualified irrigated lands above the sustainable yield allocation and subject to Tier 1 civil penalty to allow landowners a transitional period to alter their respective operations or to develop a landowner water banking or recharge project to help mitigate one or more undesirable results of either the Tule or Tulare Subbasin.

4.16 “Overdraft Tier 2 Groundwater” means groundwater extraction above the Overdraft Transitional Tier 1 Groundwater Allocation subject to Tier 2 civil penalty.

4.17 "Qualified registered parcel” means land qualified to receive sustainable yield allocation because the land meets the following criteria: (a) is a registered parcel; and (b) is in good standing with TWCA.

4.18 “Qualified irrigated land” means land qualified to receive Overdraft Transitional Tier 1 Groundwater Allocation because the land meets the following criteria: (a) is qualified to receive sustainable yield allocation; and (b) is an irrigated land based initially on the 2018 Land IQ Crop Data.

4.19 “Registered parcel” means a parcel, 5 acres or larger, registered in the TCWA’s water accounting program.

4.20 "Sustainable yield" means the maximum quantity of water, calculated over a base period representative of long-term conditions in the basin and including any temporary surplus, that can be withdrawn annually from a groundwater supply without causing an undesirable result. (Water Code §10721(w).)

4.21 "Sustainable yield allocation" means the maximum quantity of groundwater extraction allotted to landowners of qualified registered parcel based on the sustainable yield of the Subbasins, calculated over rolling five (5) year periods that can be used on that parcel before civil penalty is imposed.

4.22 "Tier 1 civil penalty" means civil penalty amount due by a landowner or operator of qualified irrigated land at a rate of $125/acre-feet for use of Overdraft Transitional Tier 1 Groundwater Allocation, which is above the sustainable yield allocation.

4.23 "Tier 2 civil penalty" means civil penalty amount due by a landowner of qualified irrigated land at a rate of $500/acre-feet of extracted groundwater for any exceedance of groundwater extraction above the Overdraft Transitional Tier 1 Groundwater Allocation's yearly cap or 5-year water block allocation cap.

4.24 "Transfer" means groundwater allocation sold or otherwise acquired from one landowner to another landowner of qualified registered parcel which will be added to that recipient's landowner account. Any transfer credit shall be established by the TWCA Board based on technical data and other information which must demonstrate that the transfer will not worsen one or more undesirable results of either the Tule or Tulare Subbasin. The TCWA Board of Directors shall be the final arbiter of determining the transfer credit to be deducted from transferor's landowner account and added to transferee's landowner account.

4.25 "Undesirable result" means one or more of the following effects caused by groundwater conditions occurring throughout the basins: (a) chronic lowering of groundwater levels; (b) significant and unreasonable reduction of groundwater storage; (c) significant and unreasonable seawater intrusion; (d) significant and unreasonable degraded water quality; (e) significant and unreasonable land subsidence; and/or (f) depletions of interconnected surface water.

## 5. Procedures

5.1 Determination of Sustainable Yield Allocation.

5.1.1 All owners of land 5 acres or larger must register their respective parcels in TCWA's water accounting program in order to qualify for sustainable yield allocation.

5.1.2 Sustainable yield allocation will be available to every qualified registered parcel, 5 acres or larger, for reasonable and beneficial use within the TCWA's jurisdictional boundaries. Sustainable yield allocation will be harmonized across TCWA's jurisdictional boundaries. Sustainable yield allocation is based on available documentation, data and analysis in TCWA's GSPs; and will be

coordinated with other applicable GSAs with jurisdiction in the Subbasins. Sustainable yield allocation will be continually evaluated and is subject to adjustment at each five-year GSP update.

5.1.3 Sustainable yield allocation is allotted in 5-year blocks. A landowner's sustainable yield allocation may qualify for carryover to add to the landowner account for the subsequent five-year block.

5.1.4 A landowner may transfer his/her sustainable yield allocation, or a portion thereof, to another landowner with qualified registered parcel within the TCWA jurisdictional boundaries; or the Tule Subbasin or the Tulare Lake Subbasin subject to coordination with the appropriate Tule or Tulare Subbasin GSAs and with approval by the TCWA Board of Directors.

5.1.5 Transfers and carryovers within the TCWA jurisdictional boundaries will be added to the appropriate landowner accounts in the TCWA's accounting program subject to approval by the TCWA Board of Directors.

5.1.6 All transfers must be approved by the TCWA Board of Directors; and all transfers outside TCWA jurisdictional boundaries must be approved by TCWA and the GSA with jurisdiction and comply with all relevant subbasin regulations. TCWA will keep an account of all transfers in the TCWA water accounting program.

5.1.7 Only qualified registered parcels are afforded sustainable yield allocation and all non-qualified lands, other than de minimis extractors, must cease extraction of groundwater until such time the lands become qualified.

5.2 Landowner Developed Credits

5.2.1 Landowner developed credits may be developed through landowner water banking or recharge projects or other approved projects that help mitigate one or more undesirable results of either the Tule or Tulare subbasin. Landowner developed projects must be approved by and registered with TCWA to be eligible for landowner developed credit. The TCWA Board of Directors shall be the final arbiter of determining landowner developed credit to be added to a landowner account.

5.2.2 In order to protect the Subbasins from undesirable results, a percentage of any landowner water banking or recharge projects will remain with TCWA. The amount of leave behind will depend on the place of use of the landowner developed credit generated from the water banking or recharge project. TCWA will adopt a separate banking policy to establish the leave behind amount.

5.2.3 Sustainable yield allocation transfers between landowners of qualified registered parcels must be documented and approved by the TCWA Board of Directors. The TCWA Board of Directors shall be the final

arbiter of determining the transfer credit to be deducted from transferor's landowner account and added to transferee's landowner account.

5.2.4 All transfers purchased from outside of TCWA boundaries must be approved by both GSAs with jurisdiction and comply with all relevant subbasin regulations of both GSAs. TWCA will develop a separate policy and procedures for transfers from outside of the TCWA jurisdictional boundaries.

5.2.5 All landowner developed credit will be maintained in TCWA water accounting program.

5.3 AWD Groundwater Mitigation Credit will be reported to TCWA yearly and may be distributed to Angiola Water District's ("AWD") or AWD landowners in the TCWA accounting program in accordance with AWD's policy upon its approval by the TCWA Board of Directors, which must occur prior to establishing an account for the AWD or the AWD landowners in the TCWA water accounting program.

5.4 Overdraft Transitional Groundwater Tier 1 Allocation

5.4.1 Overdraft Transitional Groundwater Tier 1 Allocation will be available to qualified irrigated lands within the TCWA jurisdictional boundaries based on the 2018 Land IQ crop data. Qualified irrigated lands will be eligible to receive Overdraft Transitional Groundwater Tier 1 Allocation for the duration of the program subject to a civil penalty. Overdraft Transitional Groundwater Tier 1 Allocation, including a yearly cap and a 5-year block cap, will be allotted at the beginning of each 5-year block.

5.4.2 For the first 5-year block, the yearly cap will be 3.4 AF/Acre.

5.4.3 The Overdraft Transitional Groundwater Tier 1 Allocation, in its entirely or portions thereof, may be transferred between landowners of qualified irrigated lands within TCWA subject to the TCWA Board of Directors' approval. If transferred, the credit may be added to the transferee's Overdraft Transitional Groundwater Tier 1 Allocation Credit. The TCWA Board of Directors shall be the final arbiter of determining the transfer credit to be deducted from transferor's landowner account and added to transferee's landowner account. The transfer recipient will not be allowed to carryover the credit received from any such transfer to the subsequent 5-year block.

5.4.4 Extractions above the sustainable yield allocation up to the Overdraft Transitional Groundwater Tier 1 Allocation will be imposed the Tier 1 civil penalty of $125/AF for the first 5-year block, and the civil penalty will be issued to applicable landowners on a quarterly basis. Groundwater extractions exceeding the Overdraft Transitional Groundwater Tier 1 Allocation yearly cap will be imposed as Tier 2

civil penalty. Block civil penalty will be approved by the Board of Directors before each 5-year block allocation.

| Water Blocks | Tier 1 |
|---|---|
| a) 2021 – 2025 | 12 AF/Acre |
| b) 2026 – 2030 | 7.5 AF/Acre |
| c) 2031 – 2035 | 5 AF/Acre |
| d) 2036 – 2040 | 2.5 AF/Acre |

5.5 Overdraft Groundwater Tier 2

5.5.1 Overdraft Groundwater Tier 2, which is groundwater extraction above the Overdraft Transitional Groundwater Tier 1 Allocation, will be available to the qualified irrigated lands that qualified for Overdraft Transitional Groundwater Tier 1 Allocation, subject to Tier 2 penalty. Groundwater extraction that exceeds the yearly cap or the 5-year water block allocation will pay an initial civil penalty amount of $500.00/ AF. The penalty rate will be approved by the TCWA Board of Directors at the end of each 5-year block to be imposed for the following 5-year block. Civil penalty for groundwater extractions exceeding the yearly cap will be issued the Tier 2 civil penalty the first quarter of the following calendar year. Groundwater extractions exceeding the 5-year sustainable yield allocation, that were not imposed the Tier 2 civil penalty for exceeding the yearly cap, will be imposed and issued Tier 2 civil penalty in the first quarter of each 5-year block.

## 6. Imported Water

6.1 Any landowner within the TCWA which utilizes imported water shall cause to be reported from the applicable water entity, the diversion of imported water to direct irrigation.

## 7. Landowner Water Banking or Recharge Project

7.1 Landowners may voluntarily develop and implement landowner water banking or recharge project to benefit the Tule or Tulare Subbasin. In developing and implementing any such project, the landowner shall be solely responsible for complying with all applicable Federal, State and local laws, rules, regulations, ordinances and policies, including but not limited to the California Environmental Quality Act. At the request of TCWA, landowner responsible for any such project shall provide TCWA with a copy of any permit, order, agreement, environmental review document or any other records indicating compliance with applicable laws.

7.2 A landowner developing and implementing water banking or recharge project shall be solely responsible for determining the nature, location and extent of the facilities necessary for the banking or recharge project, and all associated

costs and expenses, including design, permitting, construction, operation, maintenance, repair and replacement shall be the sole responsibility of the landowner.

7.3 A landowner developing and implementing landowner water banking or recharge project shall indemnify, defend and hold harmless TCWA, its Board of Directors, officers, employees, and agents for any damage or claim or claim of damage of any nature whatsoever associated with or related to landowner water banking and recharge project, including but not limited to property damage or personal injury or death.

8. **SGMA Penalties and Civil Remedies.** Any landowner or operator who violates the provisions of the herein Policy and Procedures is subject to the criminal and civil sanctions set forth in SGMA. TWCA may commence or sustain any civil action or proceeding, either at law or in equity, to enforce any of the provisions of the GSPs, or any policy and procedures promulgated therefrom, or to enjoin or restrain any violation thereof, or to collect any sums of money, including penalties, fees, charges and/or assessments, on behalf of the TCWA. The provisions of this Section 7 are to be supplementary and complementary to all of the provisions of SGMA, other state law, and any law cognizable at common law or in equity; and nothing herein shall be read, interpreted or construed in any manner so as to bar or limit TWCA from seeking any remedy to which it may otherwise be entitled.

9. **Enforcement Policy and Procedures**. Any penalties or fines imposed shall be subject to the procedures set forth in the Enforcement Policy and Procedures.

10. **Action Against TCWA**. Nothing contained in the herein Policy and Procedures shall constitute a waiver by TCWA or estop TCWA from asserting any defenses or immunities from liability as provided in law, including but not limited to those provided in Division 3.6, Title 1 of the Government Code.