

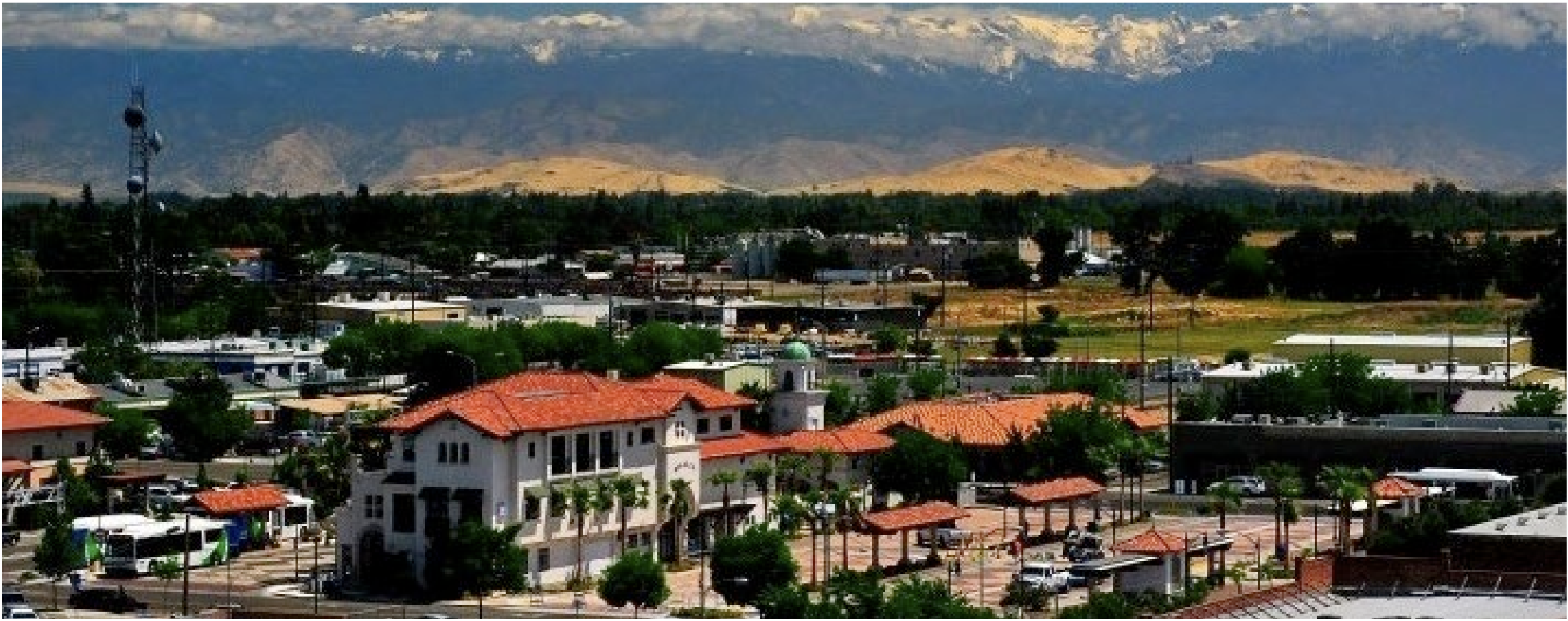


Kaweah Subbasin Water Marketing Strategy

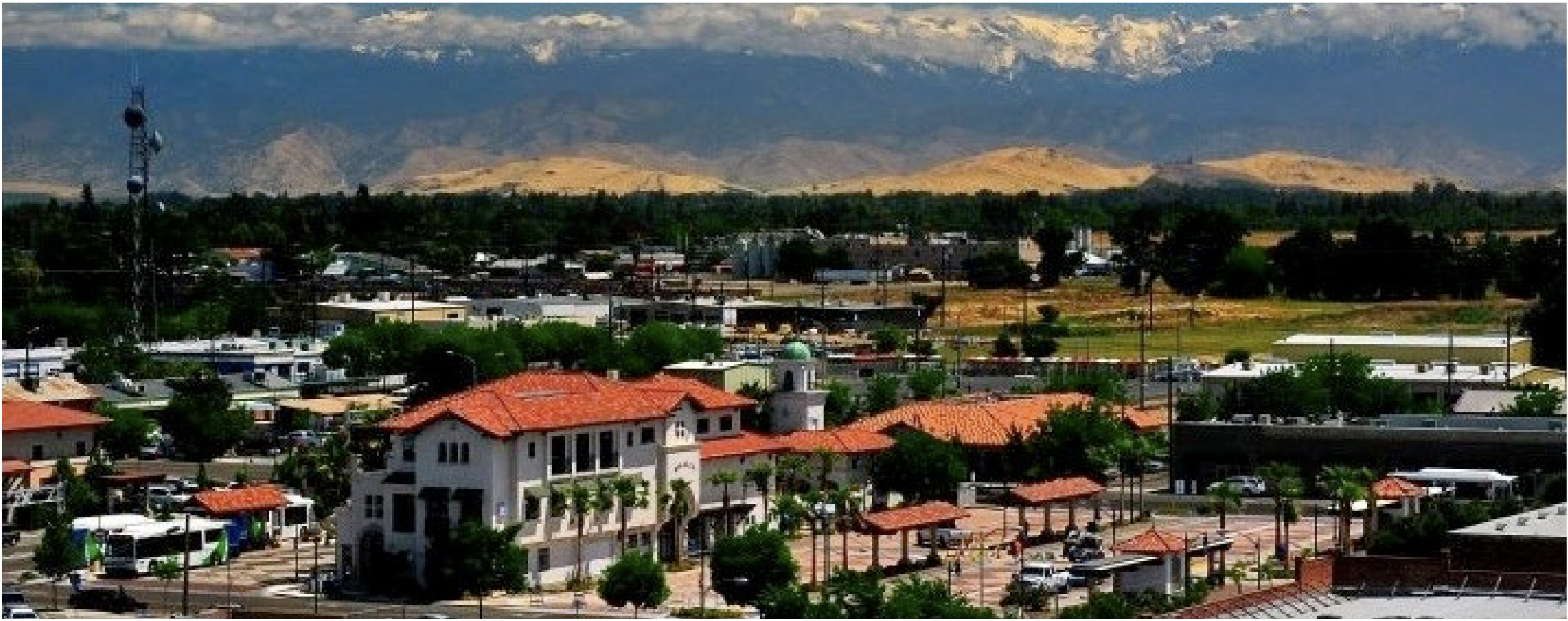
Strategy Committee Meeting
October 4, 2022

Agenda

1. Welcome and Roll Call
 - a. New Committee Member
2. Previous Meeting Recap
3. Legal and Engineering Team Update
4. Water Marketing Strategy v1.0
 - a. Water Accounting Dashboard walk through
 - b. Next Steps & Decision Points
5. October Public Workshop
6. Adjourn



Welcome & Roll Call



Welcome & Roll Call New Committee Member



Previous Meeting Recap

Straw Proposal → Water Marketing Strategy v1.0

Water Market v1.0

Basics

Program Period: October 1, 2022 – September 30, 2023.

Unit Traded – one acre-foot of allocation (measured as ET) to be used during the Program Period

Water eligible for trade – a participant's allocation of *Native Yield*

Type of allowable trades – temporary transfer of up to *100% of unused Native Yield*

Eligible Participants – land owners within a given GSA who hold allocation and who are current with all GSA fees and in compliance with all GSA ordinances, rules and regulations

Water Market Pilot | Straw Proposal

Type of Exchange: FORMAL

Monthly auction, conducted in each of the first 3 months and last 3 months of water year

Third-party facilitated

Price Information: ANONYMIZED PRICE INFORMATION

Price and quantity for each transfer, without revealing the identities of parties or parcels

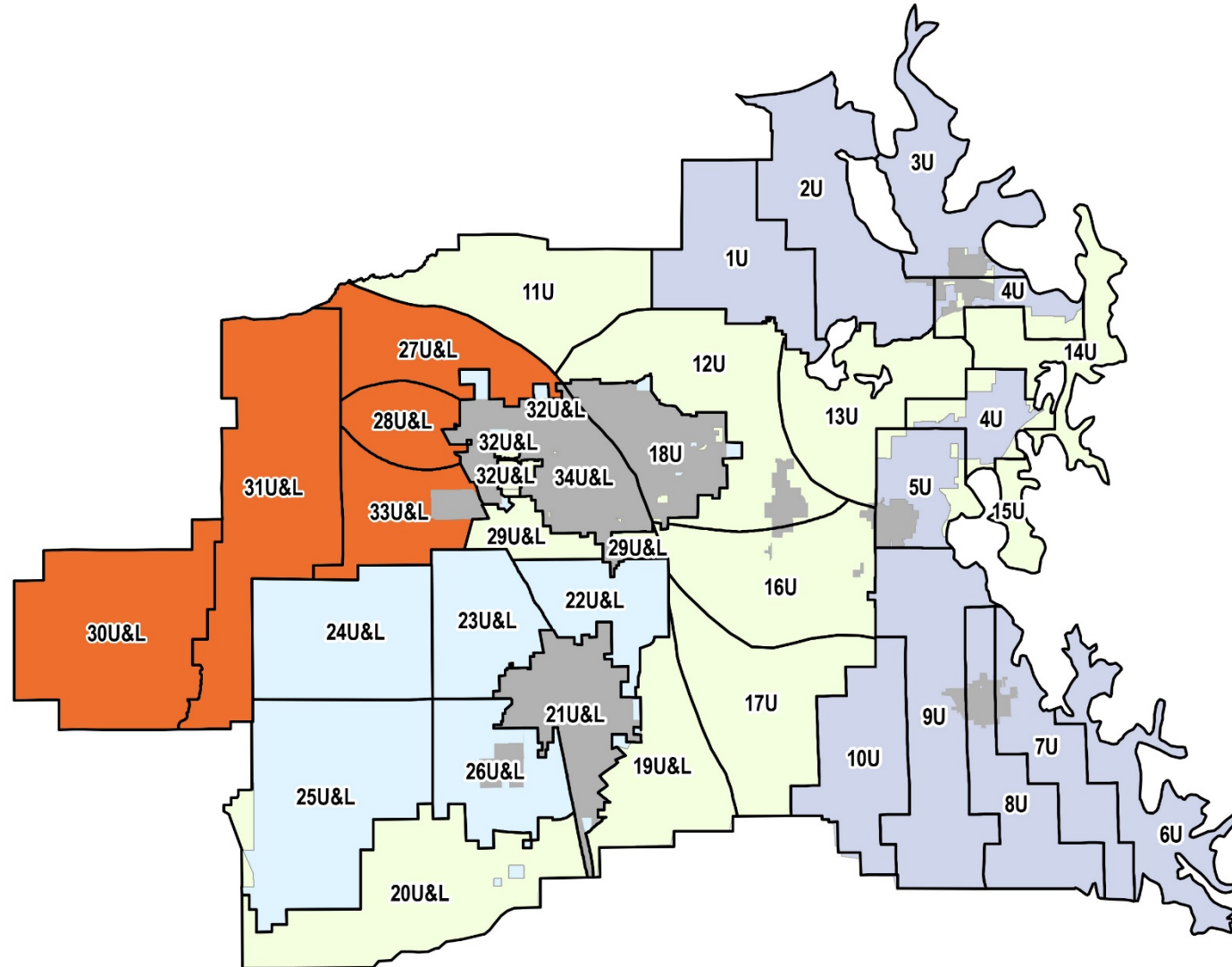
Mitigation of Adverse Impacts – MANAGEMENT ZONES

GSA-designated management areas aggregated into a small number of trading zones

- Minimum Threshold trigger
(individual zone drops out of group when MT is crossed; both groundwater level and subsidence)
- DAC trigger
(trading within individual zone ceases when public well reaches threshold)

Water Market Pilot | Straw Proposal

Mitigation of Adverse Impacts – MANAGEMENT ZONES





Legal & Engineering Team Update

Legal & Engineering Team Next Steps

Engineering Team

What is the logical initial grouping of management areas within each GSA?

One large, GSA-wide group \longleftrightarrow Small number of trading zones within GSA

Designation of *triggers*, including subsidence MT

Legal Team

Legal Guidance regarding details of v1.0

Ordinances, agreements, and other administrative actions of GSAs

Ordinance authorizing market, adopting rules & regulations

Market participation agreement, participant eligibility

Exchange administrator agreement



Water Market v1.0 – Water Accounting Dashboard



Water Market v1.0 – Next Steps & Decision Points

v1.0 Next Steps & Decision Points

Updates to Water Accounting Dashboard

- Location information – parcels by management area

- Ability to update Supply, net of transfers

- Water available for trade calculation - Hypothetical user with allocation

v1.0 Next Steps & Decision Points

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How do we handle the 45 to 60 day lag in water use data?

v1.0 Next Steps & Decision Points

Updates to Water Accounting Dashboard

Location information – parcels by management area

Water available for trade calculation - Hypothetical user with allocation

Ability to update Supply, net of transfers

How do we handle the 45 to 60 day lag in water use data?

How will transfers be approved by GSA?

Individual transfers submitted to GSA for approval \longleftrightarrow Streamlined / automatic approval

v1.0 Next Steps & Decision Points

How will financial transactions be executed?

Counter parties transact directly \longleftrightarrow Exchange administrator facilitates

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Do you want to know the identity of counter-party?

Do you want partial matches?

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Trigger

How do we handle user account that spans multiple Trading Zones?

How do we handle situation where large numbers are already below MT?

MA drops out of group or directional restriction (i.e. East Kaweah)?

v1.0 Next Steps & Decision Points

Matrix of GSA allocation policies

What transfers are already permitted under allocation system

Carry-Over

Can you carry over unused allocation that you purchased in water market?



Public Workshop No. 2 | October 19



Adjourn