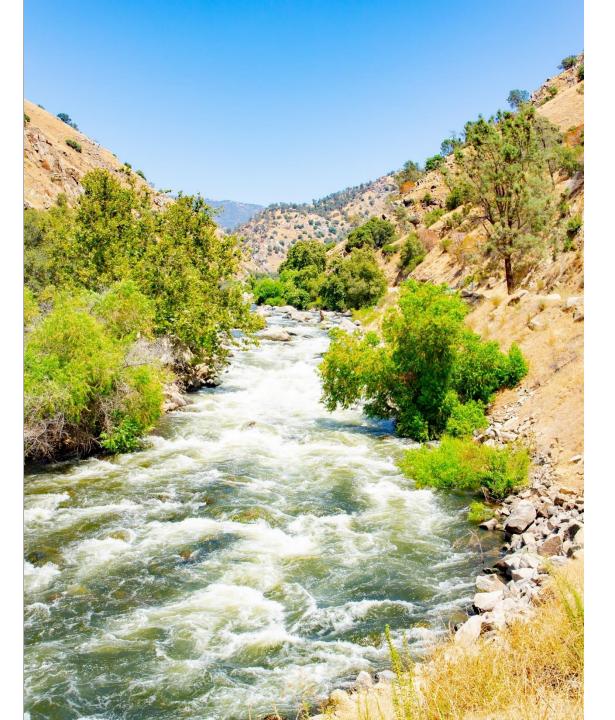


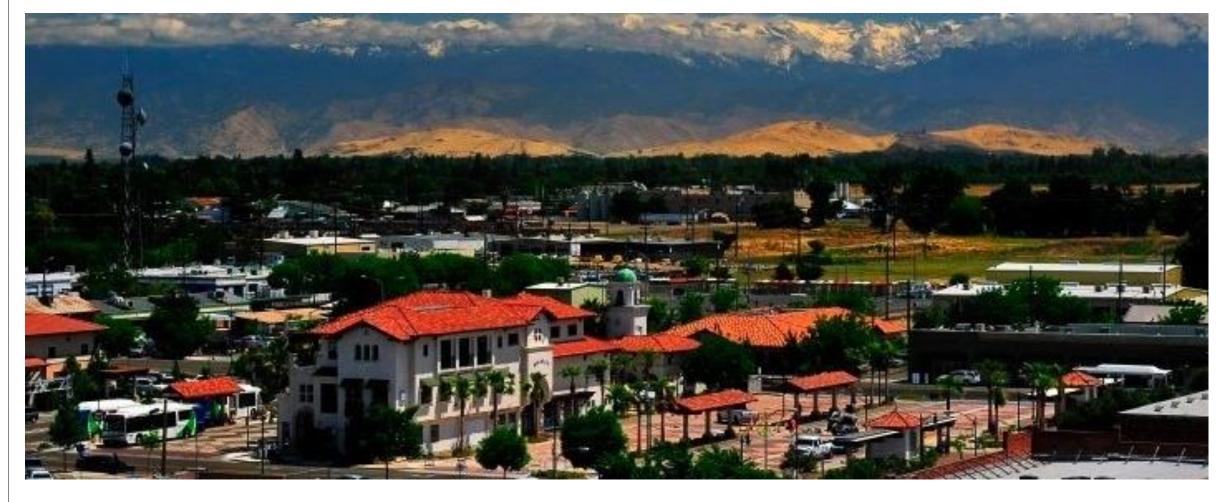
Kaweah Subbasin Water Marketing Strategy

Strategy Committee Meeting October 25, 2022

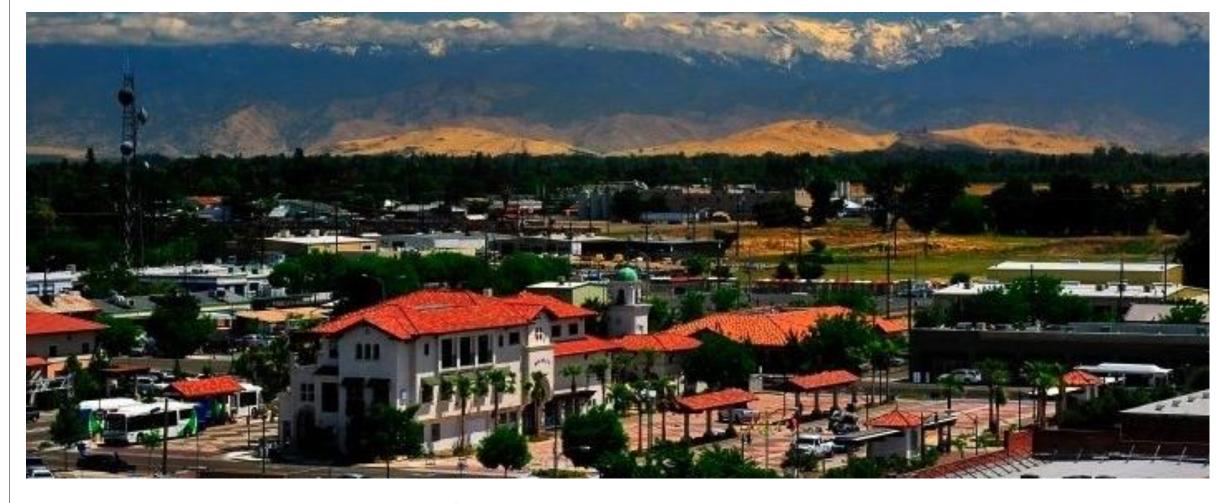


Agenda

- 1. Welcome and Roll Call
 - a. New Committee Member
- 2. Previous Meeting Recap
- 3. Public Workshop No. 2 (Oct. 19)
 - a. Office Hours (Oct. 26)
- 4. Water Marketing Strategy v1.0
 - a. GSA Allocation Matrix
 - b. Next Steps & Decision Points
- 5. Adjourn



Welcome & Roll Call



Welcome & Roll Call New Committee Member



Public Workshop No. 2 | October 19

Public Workshop No. 2 | October 19

Topics of Discussion

- 1. Recap of Previous Public Workshop
- 2. Guiding Principles for Kaweah Subbasin Water Marketing Strategy
- 3. Water Market Progress

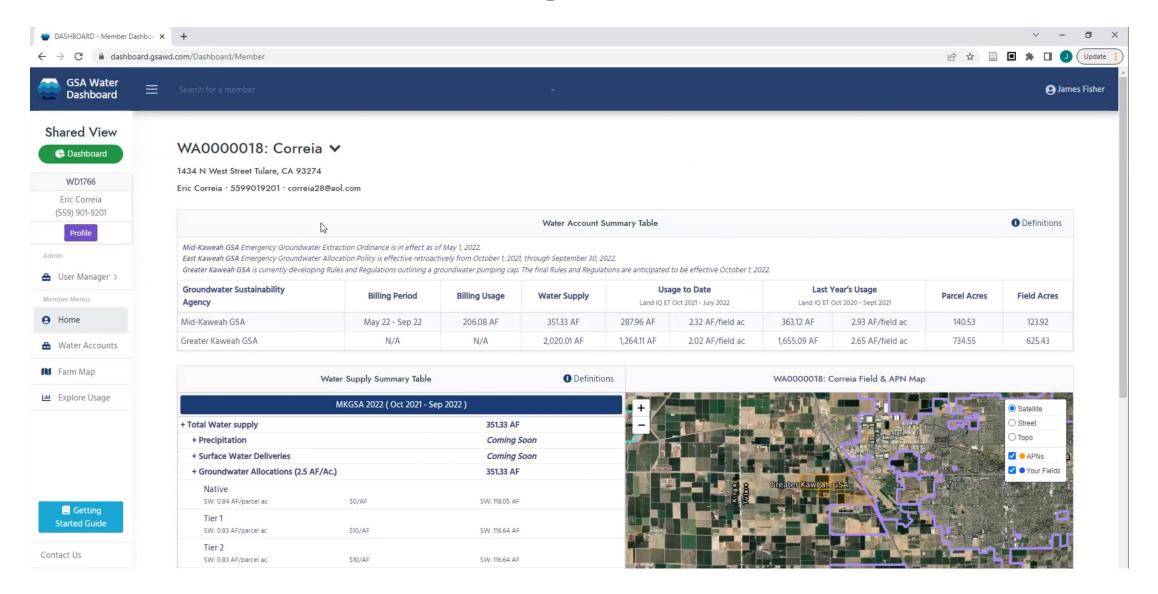
Next Step

Office Hours: October 26



Previous Meeting Recap
Walk-through of Water Accounting Dashboard

GSA Water Accounting Dashboard



GSA Water Accounting Dashboard

Updates Needed to support Water Market

Location information – parcels by analysis zone

Water Available for Trade calculation

Ability to update Groundwater Credits, net of transfers



Previous Meeting Recap 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)

Type of allowable trades – one-time transfer of up to up to 10 inches per acre (measured as ET)

Eligible Participants – landowners 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 v1.0

Type of Exchange

Monthly auction, conducted in each of the first 3 months and last 3 months of water year Third-party facilitated

Price Information

Price and quantity for each transfer (anonymous)

Mitigation of Adverse Impacts

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

- •Minimum Threshold trigger

 (individual zone drops out of group a
- (individual zone drops out of group and directional restriction applies)
- DAC trigger

(trading within individual zone ceases until impact is mitigated)

Water Market v1.0

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

Existing fees and penalties (esp. Penalty Tier) will incentivize participants to be forward-looking

How will transfers be approved by GSA?

Individual transfers submitted to GSA for approval (using transfer form)

How will financial transactions be executed?

By Exchange Administrator

Anonymity

Do you want to know the identity of counter-party? No

Do you want partial matches? Yes



Water Market v1.0 – GSA Allocation Matrix

GSA Allocation Matrix







			WEST TO SEE THE TOTAL CONTROL OF THE SECURITY
Groundwater Pumping Cap (Measured as Evapotranspiration)	2.7 AF/acre	2.5 AF/ace	1.15 AF/acre (up to 2.5 with transfers)
Native Yield (GKGSA calls it Sustainable Yield)	.83 AF/acre	.83 AF/acre	.85 AF/acre
Tier 1	.83 AF/acre	.83 AF/acre	.30 AF/acre
Tier 2	1.04 AF/acre	.83 AF/acre	.00 AF/acre
Reduction in Tier Water	2023-2025: 90%, 2026-2030: 70%, 2031- 2035: 40%, 2036-2040: 20%	None, evaluate available supplies	None, evaluate available supplies
Mitigation Tier	N/A	1.0 AF/acre	N/A
Penalty Tier (GKGSA calls it Prohibited Tier 3)	effectively: 2.7 AF	1.0 AF/acre	None
Rainfall	Tracked and allocated to landowner	Tracked via Land IQ and allocated 80% to landowner	Tracked and allocated 92% to landowner
Surface Water Credit	Reported by surface water entity	Reported by surface water entity	Reported by surface water entity
Groundwater Credits	Created via carryover and transfer	Created via carryover and transfer	Created via carryover and transfer
Recharge/Banking Credits	Tracked by agency or landowner	Tracked by agency or landowner	Tracked by agency or landowner
Recycled Water	Landowner provides data.		
Accounting Rules	Landowner elects the priorty of use except for Surface Water, Direct Delivery, and Precipitation, which comes off of ET uesage first.	Debit rainfall first, then Native, then Tier 1, and lastly Tier 2.	Debit Rainfall first, then surface water credits, then Native, then Tier 1, then Tier 2, then Groundwater Credits. When Dashboard allows, growers can choose debit/credit order.
Fees & Penalties			
Native Yield (GKGSA calls it Sustainable Yield)	\$0	\$0	\$0
Tier 1	\$125	Surface Water User: \$10 and Groundwater Dependent: \$160	\$500
Tier 2	\$250	Surface Water User: \$10 and Groundwater Dependent: \$210	\$0



Water Market v1.0 – Next Steps & Decision Points

What will the effect of Non-Market Transfers be on the function of the market?

Restrictions on transfers are currently different inside and outside of the market

Accounting

Accounting Rules – debit Native First? Or water user chooses? When is it paid for? Can water purchased in the market that goes unused be carried over as Groundwater Credit? Can the accounting system update quickly enough to support market trades?

Anonymity

What geographical information about transfers, if any, will be made public?

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Adjourn