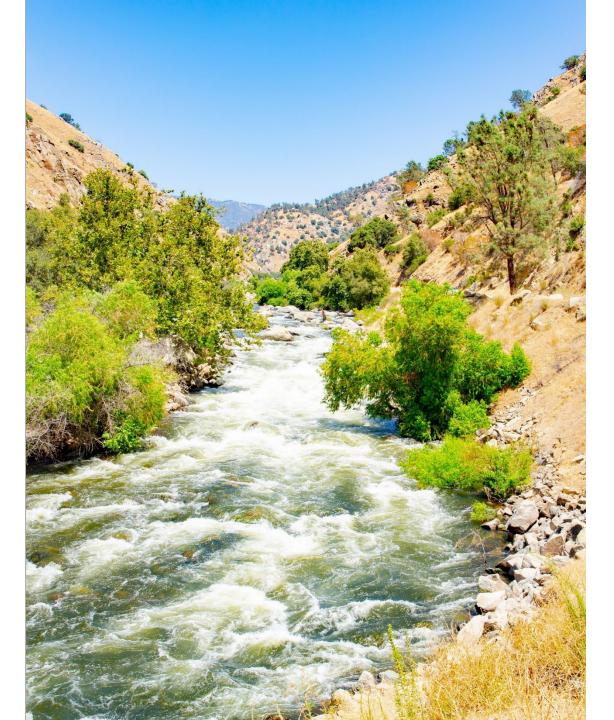


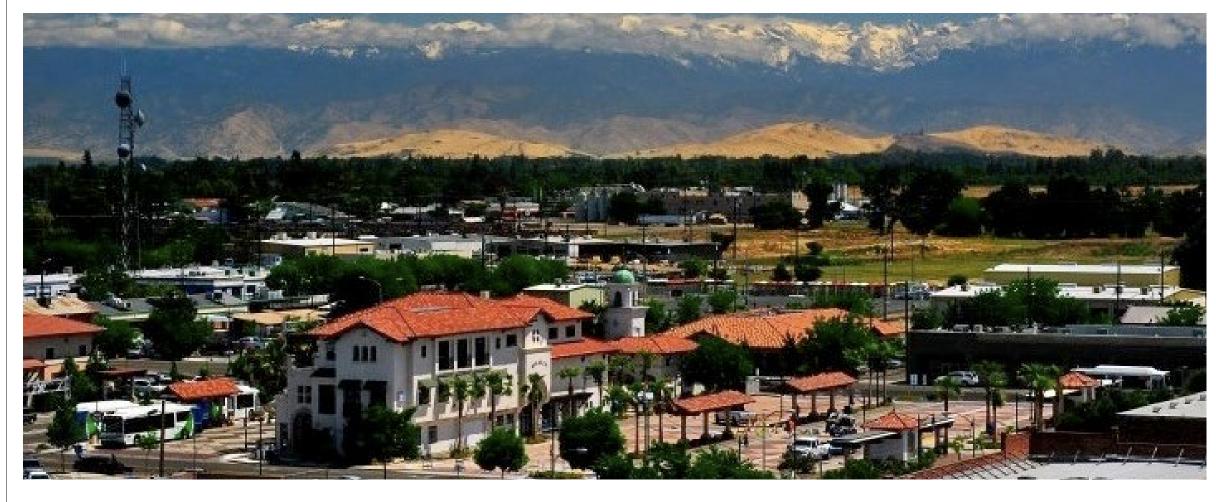
Kaweah Subbasin Water Marketing Strategy

Strategy Committee Meeting January 24, 2023

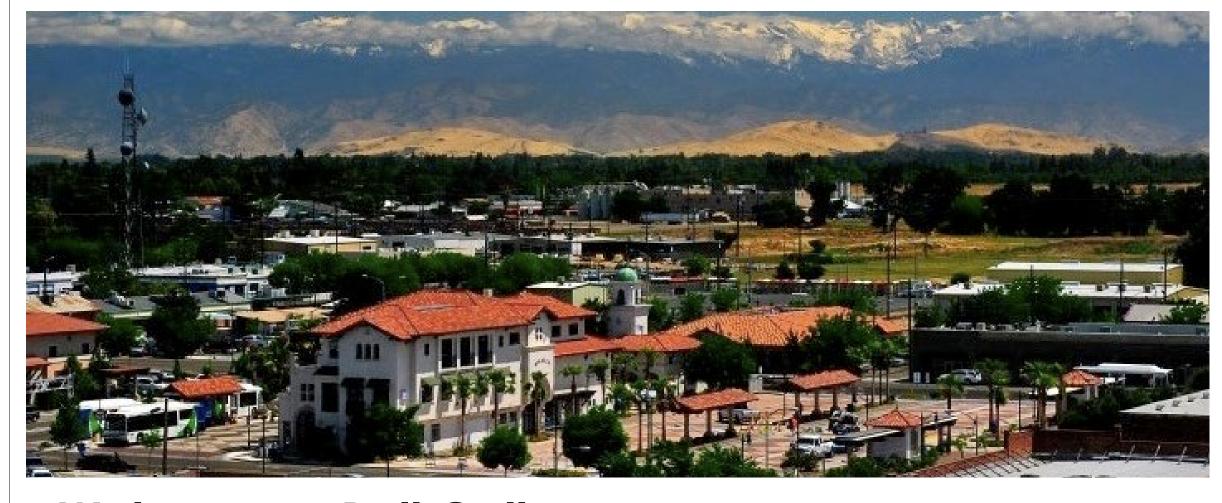


Agenda

- 1. Welcome and Roll Call
 - a. New Committee Member
- 2. Previous Meeting Recap
- 3. Legal and Engineering Team Updates
- 4. Water Marketing Strategy v1.0
 - a. Currently Available for your Review & Comment
 - i. DRAFT Strategy Chapters 1, 2, and 5
 - ii. DRAFT Legal Documents
 - Rules & Regulations
 - Participant Agreement
 - Resolution Adopting Water Market v1.0
 - b. Upcoming for your review
 - i. DRAFT Strategy Chapters 3,4,6, and 7
 - 5. Adjourn



Welcome & Roll Call



Welcome & Roll Call
New Committee Member – Luis Sanchez, Self Help Enterprises



Previous Meeting Recap – Water Market v1.0

Water Market v1.0

Basics

Program Period: Current Water Year, ending 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

Type of Exchange

Monthly auction, conducted in each of the 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 and directional restriction applies)
- •DAC trigger (trading within individual zone ceases until impact is mitigated)

Water Market v1.0

How do we handle the 30-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

Updates Needed to Water Accounting Dashboard to support Water Market

Transfer Bucket function with appropriate accounting functions

Ability to update Transfer Bucket, net of transfers

Location information – parcels by analysis zone

Outstanding Questions

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?

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

Should there be one more round of bids/offers and matching 30 days after end of water year (true-up period)?



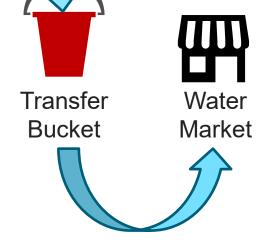


Step 1: Grower wants to sell allocation

Step 2: Grower establishes the amount of allocation to sell (no greater than 10" x acreage)

Step 3: Grower selects which bucket(s) to pull from

Step 4: Within Water Dashboard, moves allocation into Transfer Bucket. Dashboard verifies water is available and less than max.



Step 5: Offer(s) to sell allocation submitted to Exchange Platform. Platform automatically sees amount of allocation in the Transfer Bucket

Step 6: Exchange Administrator matches seller w/buyer(s)

Step 7: Buyer submits payment for the transfer of allocation

Step 7: Exchange Administrator moves allocation from seller's Transfer Bucket to buyer's Transfer Bucket and submits payment to seller



Legal and Engineering Team Updates



Water Marketing Strategy (v1.0) Document

Water Marketing Strategy (v1.0) Document

Currently Available for your Review & Comment

- 1. DRAFT Strategy Chapters 1, 2, and 5
- 2. DRAFT Legal Documents

Rules & Regulations

Participant Agreement

Resolution Adopting Water Market v1.0

Upcoming for your review

1. DRAFT Strategy Chapters 3,4,6, and 7



Adjourn