

Kaweah Subbasin Water Marketing Strategy Committee

Special Committee Meeting

August 11, 2021 at 3 PM

1. Roll Call

Committee Members Present: Joe Cardoza, David Cardoza, Steve Nelsen, Scott Rogers, Manuel Leon, Chuck Nichols, Brian Watson, Matthew Watkins, James Silva, Soapy Mulholland.

Guests: Hylon Kaufmann (Ranch Systems), Shawn Corley (Lakeside Irrigation Water District), Michael Hurley (Cal Water), Rhett Anderson (City of Visalia), Collin Fernandes (Pandol Farms), Stacie Ann Silva (New Current Land and Water) John Gailey (Delta View Farmers' Association) Les Amos (Morgan Ranches), Blanca Escobedo (Leadership Counsel), John Kirkpatrick (Kirkpatrick Ag Services), Richard Garcia (Sierra Club), Eric Osterling (Greater Kaweah GSA).

Presenting: Craig Moyle (Stantec), William Swanson (Stantec), Matthew Fienup (California Lutheran University).

Also Present: Jeremy Barroll, Aaron Fukuda, James Fisher (all Tulare Irrigation District).

2. Meeting Goals and Objectives / 3. Kaweah Subbasin Public and Stakeholder Engagement

William Swanson presented the proposed schedule for the Strategy in order to receive feedback. Project Coordination Team composed of Stantec Team, TID (grant administrator) staff, GSA managers, legal/engineering consultants. Will be completely subservient to Committee, only to conduct and present work as assigned by Committee.

Project Coordination Team meetings very frequent, roughly weekly, in between Committee meetings. Will be several public workshops corresponding to major steps.

Comment: Would like powerpoint presentations sent out to Committee members one or two days in advance. Possibly institute requirement of camera turned on. Want to join Project Coordination Team meetings, however realizes that process would be encumbered if there were too many people in each of these meetings.

Strategy Committee is an ad hoc Committee of the GSA boards, not subject to Brown Act. Strategy Committee meetings will be noticed, recordings will be posted on MKGSA youtube channel. In Project Coordination Team meetings, public will be able to participate through chat.

CA Department of Water Resources FSS: Application-based grant program through Proposition 1. Managed by the Sustainable Groundwater Management Office. Draft application prepared by Stantec/TID to cover remainder of water market consultant cost.

Presentation: Existing Water Markets and Strategies

Dr. Matthew Fienup:

Allocation types vary, include: maximum annual historic extraction; maximum average annual extraction over 5 years; average annual extraction; equal share; and certified irrigated acres (trading acreage rather than water itself).

Allocation flexibility: Some markets have a carryover credit, i.e. unused allocation or a set percentage of unused allocation can be used the next year; some have a decay whereby the water quantity depreciates by a set percentage each year. Some have borrowing, in which extractors can over extract up to 10% if they replenish it the next year. Some have a rolling average, whereby allocation can be exceeded in an individual year as long as it is not exceeded over a 5-year period; can make calculation more complicated.

Water year for allocations can be set arbitrarily. October-September may be preferred for other consistency in this area. However, consideration of relation to surface water runoff prediction.

In Santa Paula Basin, water can be used within 5 years and can be traded. So a 3 year old unused allocation can be transferred, but it has to be used within 2 years from that point.

Comment: We have to be careful to avoid a use-it-or-lose-it type of incentive because that would be counter-productive to conserving groundwater, especially for surface water users. Possibly more carryover if series of wet years to.

Unit of trade: Can be 1 AF of pumping, 1 AF of surface water, or one irrigated acre (in the certified irrigated acres model).

Geographic Limitations: By geographic boundaries (subbasins/management areas, buffers around municipal wells), directional restrictions, or exchange rates.

Discussion of how to go about long distance transfers, i.e. Woodlake to Tulare. Possibly would be transit loss per mile similar to conveyance loss in surface.

Terms of transfers can include permanent versus annual versus some longer period.

Types of exchange can include a formal, centralized exchange operated by an agency, third party administrator or cooperative, as opposed to informal whereby individual traders post desire to buy or sell or private firms put together contracts.

Types of monitoring include metering, metering or pump test paired with electrical usage records, telemetric reporting, aerial imaging, or satellite remote sensing. Satellite remote sensing, however, has large measurement errors and so causes inaccuracies in reporting leading to economic losses and inability to mitigate groundwater impacts.

In Fox Canyon, the growers insisted on metering and telemetry monitoring due to abuse of system by self-reporting.

Penalties for overage: Cost of replenishment/importing, set fee per AF, or referred to court or watermaster.

Special cases of Oregon Freshwater Trust and the Scott River Water Trust where markets are used to secure voluntary sale of water to maintain instream flows for fish migrations.

Many adjudicated markets only have transfers once in a great while because of the litigiousness of the process, individuals don't bother. Some water quality-oriented markets have been unsuccessful because of farmer distrust of the regulating agency. In the Murray-Darling Basin in Australia, contract firms have become so dominant that it is hard to acquire exchange data because the firms themselves like to keep their data confidential.

In instances where a market is implemented and overdraft is not reduced, the failure is really on the part of the allocation system.

5. Kaweah Subbasin Public Workshop No. 1 – Planning:

Committee members believed that first public workshop should be kept very general to provide background to the public. Specific details should be avoided since they haven't been decided yet.

Stantec Team believes that Committee members should kickoff the public workshop; Committee members believe that Aaron Fukuda. should kickoff the public workshop.

Notices will have to be sent out immediately given proposed date of Aug 25 only 2 weeks away. May move the date back, need to consider whether to have it in-person given COVID cases rising in Tulare County.

Craig proposed to have the Committee social-distanced at the Agri-Center while members of the public participate virtually.