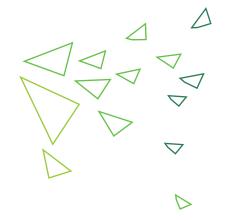


Outline of Topics

June 2021

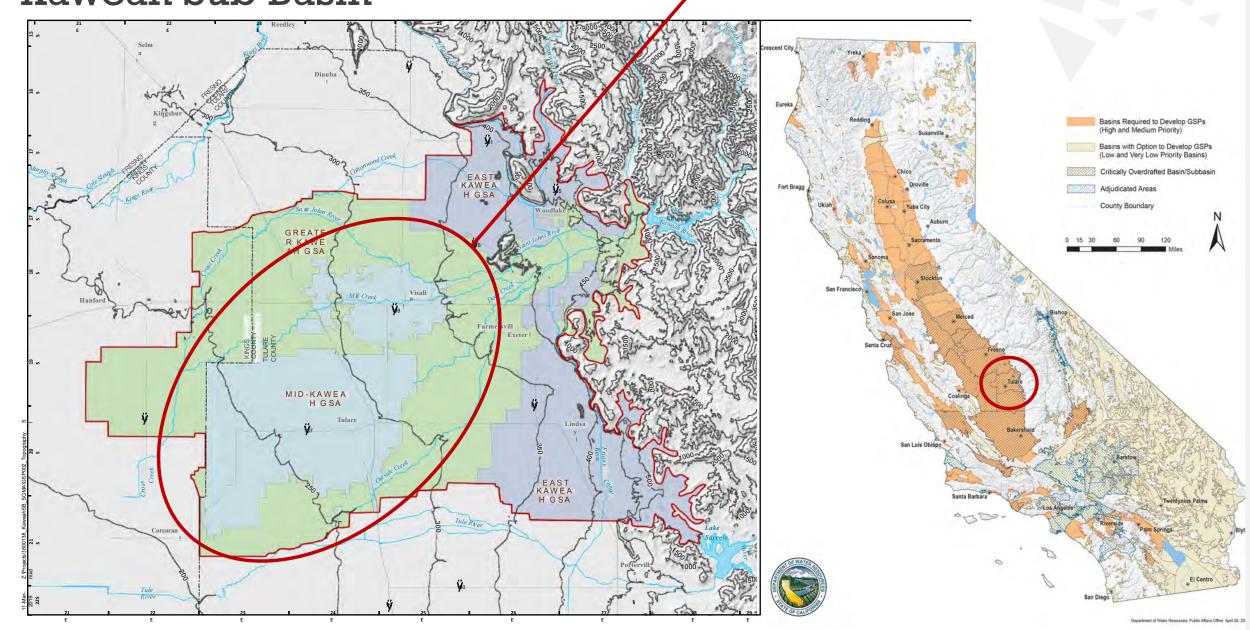


- 1. Background of Kaweah Subbasin
- 2. How did we get to a Water Marketing Strategy
- 3. Status of the Water Marketing Strategy
- 4. Initial Water Market Thoughts

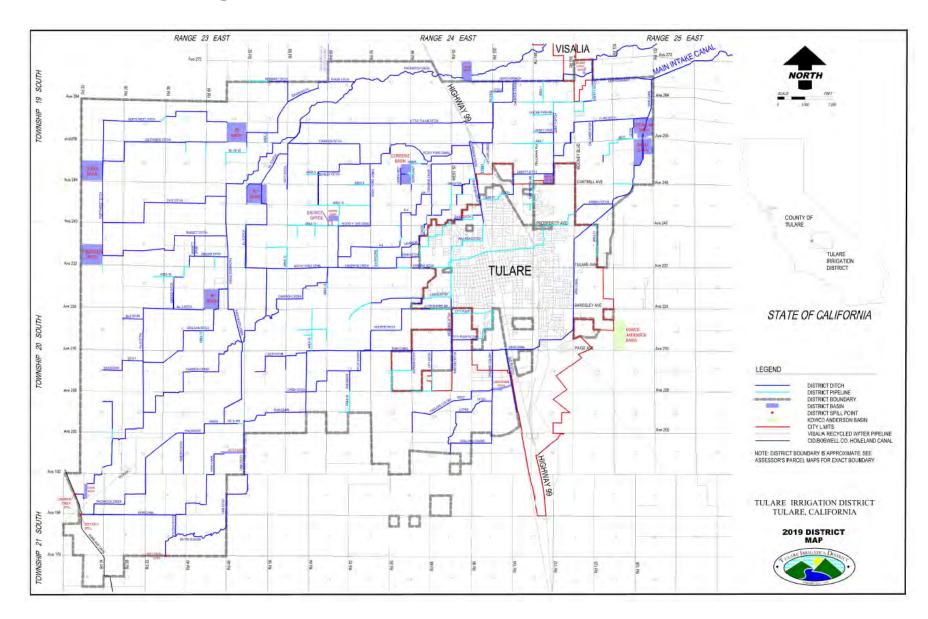


Kaweah Sub Basin

Mid-Kaweah GSA



Tulare Irrigation District



Stats:

- Formed in 1389
- Acreage: ¬prox. 70,000
 Acres
- 300 miles of earthen canals
- 1,300 Acres of Recharge Basins
- Average Annual Surface Water Supply of 190,000 AF
- Kaweah River Pre-1914
 Water Rights
- CVP Friant Supplies
 - Class 1: 30,000 AF
 - Class 2: 141,000 AF
- Approx. 200 Growers
- Main Crops
 - Corn
 - Wheat
 - Alfalfa
 - Walnuts
 - Almonds
 - Pistachios



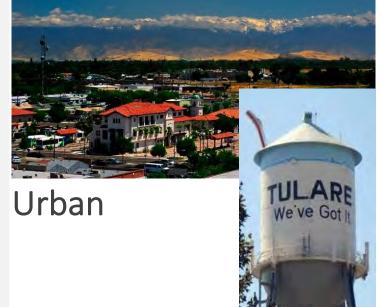
Kaweah Subbasin

Agriculture









Industrial



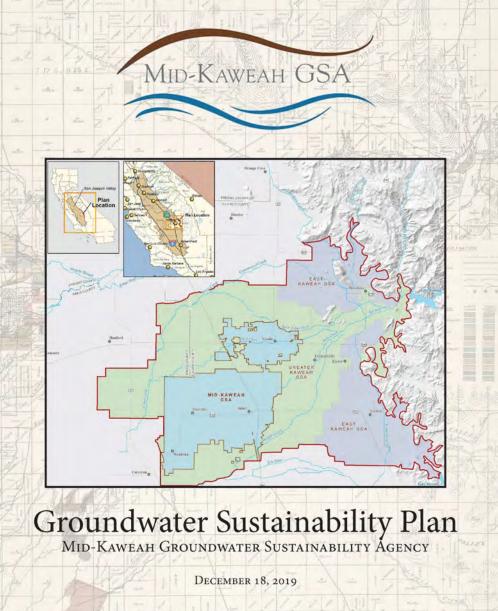


Environmental



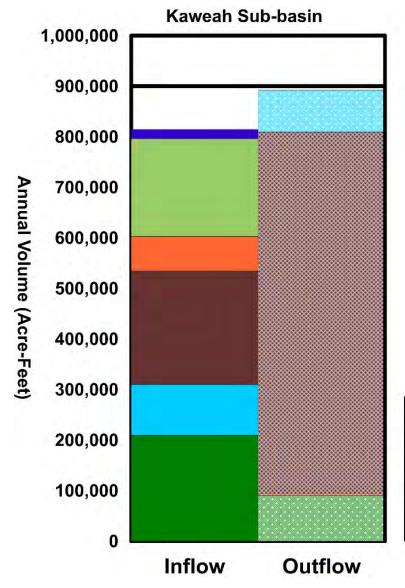
MKGSA Groundwater Sustainability Plan

Submitted January 2020



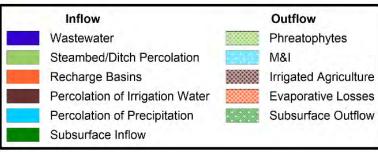
Prepared under the Kaweah Subbasin Coordination Agreement with Greater Kaweah GSA and East Kaweah GSA

Kaweah Sub Basin Overdraft (Inventory Method)

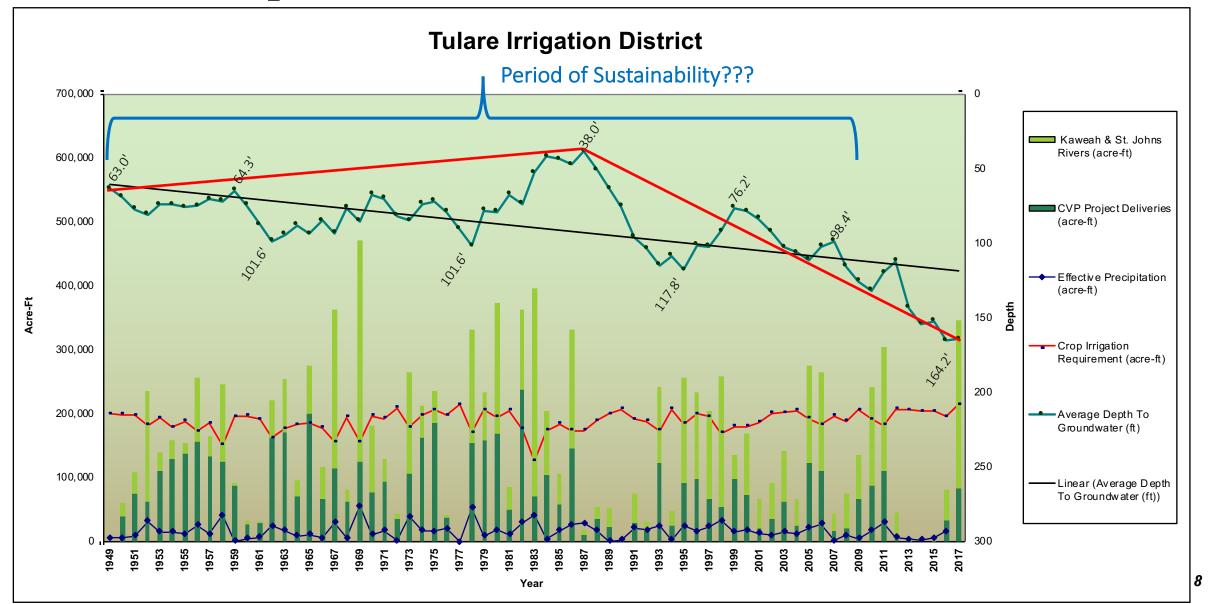


Preliminary Current Period Overdraft = 78,000 acre-feet

1 AF = 325,800 Gallons



Historical Depth to Groundwater In Tulare ID



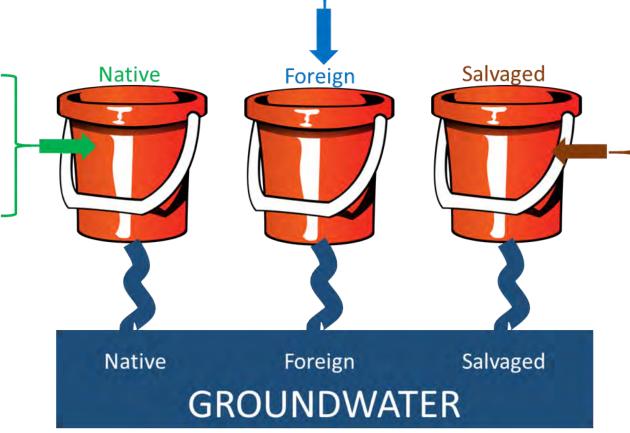
Water Accounting Framework (basis for allocations)

Segregation by Appropriator method

- Natural, man-made channel seepage from imported sources
- Sinking basin infiltration from imported sources
- Irrigation return flows from imported sources

- Precipitation
- Natural channel seepage from Kaweah sources
- Irrigation return flow from pumped local groundwater
- Mountain front inflows

Segregation by common (GSA acreage) method

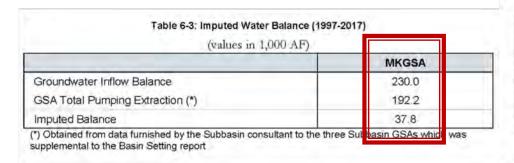


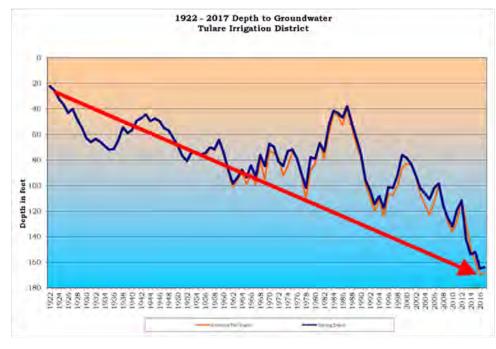
- Man-Made channel seepage from Kaweah sources
- Storm water return flows
- WWTP return flows
- Sinking basin infiltration from Kaweah sources
- Irrigation return flows from appropriated Kaweah Sources

Segregation by Appropriator method



Water Accounting Framework





-feet)			
Native Water			
East	Greater	Mid	Total
23,666	44,213	20,974	88,854
16,767	31,324	14,860	62,952
41,484	77,501	36,766	155,752
14,976	27,978	13,273	56,227
96,894	181,017		363,784
27%	50%	24%	100%
	Foreig	Water	
East	Greater	Mid	Total
0	11,730	2,523	14,253
0	1,204	21,745	22,949
0	1,050	14,305	15,355
12,073	1,241	7,140	20,453
12,073	15,225	45,713	73,010
17%	21%	63%	100%
Salvaged Water			
East	Greater	Mid	Total
8,835	49,771	34,880	93,486
226	6,892	5,697	12,815
508	2,370	8,491	11,368
1,470	3,129	13,878	18,477
0	16,005	23,479	39,484
4,555	31,039	11,981	47,574
15,593	109,205	98,406	223,205
7%	49%	44%	100%
East	Greater	Mid	Total *
124,560		229,992	659,999"
19%	46%	35%	100%
	23,666 16,767 41,484 14,976 96,894 27% East 0 0 12,073 17% East 8,835 226 508 1,470 0 4,555 15,593 7% East 124,560	East Greater 23,666 44,213 16,767 31,324 41,484 77,501 14,976 27,978 96,894 181,017 27% 50% Foreig East Greater 0 11,730 0 1,204 0 1,050 12,073 1,241 12,073 15,225 17% 21% Salvage East Greater 8,835 49,771 226 6,892 508 2,370 1,470 3,129 0 16,005 4,555 31,039 15,593 109,205 7% 49% East Greater 124,560 305,447	Native Water East Greater Mid 23,666 44,213 20,974 16,767 31,324 14,860 41,484 77,501 36,766 14,976 27,978 13,273 96,894 181,017 85,874 27% 50% 24% East Greater Mid 0 11,730 2,523 0 1,204 21,745 0 1,050 14,305 12,073 1,241 7,140 12,073 15,225 45,713 17% 21% 63% Salvage d Water East Greater Mid 8,835 49,771 34,880 226 6,892 5,697 508 2,370 8,491 1,470 3,129 13,878 0 16,005 23,479 4,555 31,039 11,981 15,593 109,205 98,406 7% 49% 44% East Greater Mid 124,560 305,447 229,992

Where is Groundwater Going????

MKGSA GSP Projects/Management Actions

Surface Water









Groundwater Recharge Basins

On-Farm Recharge

Surface Water Storage Projects Groundwater Market

New Basins: Martin Basin, Swall Basin, Cordeniz Basin, Okieville Basin

Total = 230 Acres

Recharge Basin Enhancements Grower participation in on-farm Recharge: 2017 had 600 Acres and achieved 6,800 AF in 3 months

GRAT Tool and Crop Buy-Out Program Temperance Flat Reservoir

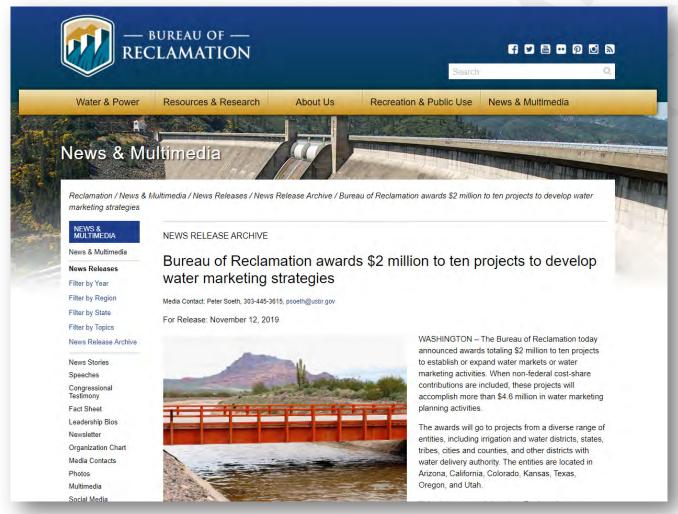
McKay Point Reservoir

Groundwater credit program to allow for the marketing of credits for ability to forgo groundwater pumping



Kaweah Subbasin Marketing Strategy







Groundwater Markets will not solve all of our problems.



Kaweah Subbasin Marketing Strategy

- Task 1: Project Outreach and Partnership Building
- Task 2: Scoping and Planning Activities
- Task 3: Development of Water Marketing Strategy
- Task 4: Implement Pilot Program
- Task 5: Grant Administration
- Total cost estimated at \$832,000 with Reclamation funding \$400,000.
- Schedule: 3-year program targeted to be finished in 2024
 - GSAs could determine if they wanted to adopt WMS in the 2025 GSP Update





Step 1: Establish Water Marketing Strategy Committee

Delayed in 2020 due to COVID-19

11-Member Committee

Representation from all beneficial users of groundwater



Water Marketing Strategy Committee

Joe Cardoza	Greater Kaweah GSA (represents all beneficial users of GW)	
Steve Nelson	Mid-Kaweah GSA (represents all beneficial users of GW, incl. urban)	
Brian Watson	East Kaweah GSA (represents all beneficial users of GW, incl. urban)	
Scott Rogers	Water Seat (West) – Tulare Irrigation District	
David Cardoza	Ag Seat – Cardoza Co.	
Manuel Leon	DAC Seat – Self-Help Ent.	
Soapy Mullholand	Environmental Seat – Sequoia Riverland Trust	
James Silva	Water Seat – Various Kaweah Ditch Companies	
Chuck Nichols	Industrial Seat – Nichols Farms	
Craig Wallace	Water Seat (East) – Lindsay Strathmore Irrigation District	
Matthew Watkins	Ag Seat – Bee Sweet Citrus	

Kaweah Subbasin Marketing Strategy Process

Education of WMS Committee

- Background into markets from around the world and U.S.
- Water Rights Workshop by MKGSA Legal Counsel
- Gauging local interest and concerns and ensuring the WMS understands and knows them

Development of Water Marketing Strategy

- Consultant lead process to address the key components of a WMS
- WMS Committee
 meetings monthly to step
 through a facilitated
 process
- Analysis of economic costs and benefit of WMS
- Deliverable: documentation of a WMS

Implementation of the WMS

- Each GSA will determine their interest to implement the WMS as a Management Action of their GSP
- Will need to address how to operate the WMS

• Who: Public or Private

How: Software Platform

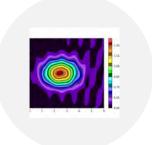


Manager's Corner – Market Thoughts









Accelerated Development

With back-to-back dry years the GSAs and WMS Committee have accelerated the timeframe to develop the WMS

> Accelerated Water Allocation Process

Market is for Kaweah Subbasin

The WMS is intended to serve the needs of beneficial users in the Kaweah Subbasin.

The Market is NOT:

For investors/landowners outside of the Kaweah Subbasin

To monetize water for investment by outsiders

DACs and Environmental

The needs of our DACs and Environment should be considered in the WMS

Can they be part of the market rather than just protected from the market?

Trading is Localized

Trading is localized such that it will not impact local groundwater levels



Conclusion



Groundwater
Markets will not
solve all of our
problems.





Mother Nature is going to determine our success







Thank You





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