



## Water Trading: Groundwater Accounting and Budgeting Platform

### Introduction

The Department of Water Resources (DWR), the State Water Resources Control Board (Water Board), the California Water Data Consortium (Consortium) and Environmental Defense Fund (EDF) are collaborating to enhance and scale a voluntary open-source groundwater accounting platform that will be freely available to help groundwater sustainability agencies manage the transition to sustainable supplies. This effort builds on an existing water accounting and trading platform developed by EDF and Rosedale-Rio Bravo Water Storage District. The open-source platform enables water managers and landowners to securely track water supplies and use, create water budgets, model scenarios, and trade allocations of water within a district or basin. DWR and the Water Board are working with EDF and the Consortium to ensure that the platform is compatible with the online electronic portals that local agencies use to submit public data required by the state, such as DWR's Sustainable Groundwater Management Act (SGMA) Portal and the Water Board's Groundwater Extraction Annual Reporting System (GEARS). State agencies, the Consortium, and EDF will engage stakeholders as they expand the open-source platform to meet local needs and define and encourage adoption of data standards consistent with the Open and Transparent Water Data Act (AB 1755).

This effort complements the Commission's work of weighing how to ensure that any groundwater trading that develops in response to SGMA protects disadvantaged communities, ecosystems, and other water users. Well-designed water trading programs are one of many tools that local agencies are considering for managing groundwater sustainably, and an accounting system is the first step for such programs.

### Background

Under the historic Sustainable Groundwater Management Act (SGMA) of 2014, more than 250 local agencies have been formed to bring groundwater basins into sustainable conditions over the next two decades. The law was enacted in the midst of severe drought in which overpumping groundwater caused hundreds of drinking water wells to go dry and land to sink, damaging canals, roads, and bridges.

Since the last drought, the state has made significant investments to support local groundwater sustainability agencies as they work to bring basins into sustainable conditions through a variety of approaches, including finding additional supplies to recharge basins; reducing water use through efficiency measures, changing cropping patterns, or strategic fallowing of

Agenda Item: 10

Meeting Date: August 18, 2021

Page 2

farmland; and efficient and equitable groundwater trading. The development of this platform continues state investment in groundwater sustainability and builds on previous efforts in the private sector. EDF, an international environmental organization, has been working with Rosedale-Rio Bravo Water Storage District in Kern County since 2018 to develop and pilot use of the platform to facilitate innovative water management and protect disadvantaged communities and ecosystems. EDF and Rosedale-Rio Bravo Water Storage District received technical support from Sitka Technology Group, OpenET, WestWater Research, and Olsson Engineering and funding from the Water Foundation, among other supporters.

This agenda item advances Goal One of the Commission's Strategic Plan. Goal One directs the Commission to serve as a primary public forum for the discussion of improving water management policy to assist regions in achieving climate resiliency, advise the Department, and inform the Governor and Legislature on selected statewide issues, including those actions of the Water Resilience Portfolio assigned to the Commission.

### **Meeting Overview**

At this meeting, Tara Moran, Chief Executive Officer with the California Water Data Consortium, and Christina Babbitt, Senior Manager of the California Groundwater Program at Environmental Defense Fund, will be presenting information about the state/private partnership to develop a freely available, open-source groundwater accounting and budgeting platform. The presenters will provide a demonstration of the platform, discuss its uses and benefits, and describe how they are working together with the state, providing a timeline for when it will be widely available.

This is an informational item.

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