



March 15, 2021

Teresa Alvarado, Chair  
Joe Yun, Executive Officer  
California Water Commission  
P.O. Box 942836  
Sacramento, California 94236-0001

Dear Chair Alvarado and Executive Officer Yun,  
Thank you for your work to implement a key action in the state's Water Resilience Portfolio. We appreciate the inclusive and comprehensive approach the Water Commission has taken to carrying out its assessment of a state role in financing conveyance projects, and we look forward to seeing the recommendations that the Water Commission distills from its public process later this spring.

We write to request your assistance on carrying out another action in the Water Resilience Portfolio. We believe state implementation of action 3.6 related to groundwater trading should begin with a thorough and inclusive public dialogue. Given the success of your public process to assess conveyance projects, we are requesting that the Water Commission undertake a similar process to assess groundwater trading. Specifically, Portfolio action 3.6 states:

Create flexibility for groundwater sustainability agencies to trade water within basins by enabling and incentivizing transactional approaches, including groundwater markets, with rules that safeguard natural resources, small- and medium-size farms, and water supply and quality for disadvantaged communities.

As you know, 260 local agencies have been formed in recent years to bring overdrafted groundwater basins into sustainable conditions, as required by the Sustainable Groundwater Management Act of 2014. A look at the initial groundwater sustainability plans these agencies have drafted shows that many may depend upon groundwater trading as a tool to help balance pumping and recharge within their basins – and development of trading programs in a number of groundwater sustainability agencies is already underway. Trading may reduce the economic impacts of water scarcity by giving water users flexible, voluntary mechanisms to shift water to where it is needed most. It could also encourage and reward groundwater conservation. But trading programs must be thoughtfully designed to prevent harm to disadvantaged communities and small farmers, groundwater-dependent ecosystems, and existing water right holders.

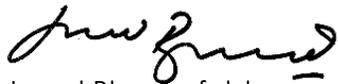
We request your assistance in facilitating a robust public discussion on groundwater trading that recognizes the work that many groundwater sustainability agencies have already undertaken and covers how governance, oversight, stakeholder engagement, and protections could be structured to advance well-designed water trading programs that ensure the interests and needs of all stakeholders. We envision a Water Commission process that involves robust and inclusive public participation and expert input, resulting in a set of conclusions distilled from the public listening process and recommendations on a path forward for State agencies. Given the urgent need to address these issues, we would appreciate having those conclusions and recommendations before the end of 2021.

Thank you for considering this request and for providing Californians with a valuable public forum for discussing water issues central to our shared prosperity.

Sincerely,



Wade Crowfoot  
Secretary for Natural Resources



Jared Blumenfeld  
Secretary for Environmental Protection



Karen Ross  
Secretary of Food and Agriculture

Cc:

Joaquin Esquivel, Chair, State Water Resources Control Board  
Karla Nemeth, Director, California Department of Water Resources  
Chuck Bonham, Director, California Department of Fish and Wildlife  
Don Cameron, President, California State Board of Food and Agriculture