



## Groundwater Trading: Workshop Results

### Introduction

In late October, the Commission held two public workshops to discuss its work on groundwater trading. The workshops, held virtually on October 28<sup>th</sup> and 29<sup>th</sup>, attracted 129 and 100 participants, respectively. The goals of the workshop were to:

- Hear from diverse participants about how groundwater trading could impact or benefit them.
- Create opportunities for Commissioners to hear directly from stakeholders.
- Gather information and test assumptions around:
  - opportunities and concerns around groundwater trading;
  - potential impacts to ecosystems, farms, and communities; and
  - an appropriate state role in enabling groundwater trading with safeguards for water users.

At the workshops, the Commission staff gathered information about participants' thoughts, opinions, and concerns about groundwater trading generally. The workshops explored places of differing opinions related to transparency versus confidentiality, customized trading programs versus standardized trading programs, and local control of trading versus state oversight of trading. Workshop participants also engaged in a discussion about potential roles for the state to play with respect to groundwater trading programs.

This effort is part of the Commission's work to frame State considerations around how GSAs might shape well-managed groundwater trading programs. The Commission staff is holding public conversations via public workshops and localized outreach to solicit input about developing well-managed groundwater trading programs that ensure protections for vulnerable users and stakeholders. The topic is also included at regularly scheduled Commission meetings.

By facilitating a robust and inclusive public discussion on groundwater trading, the Commission will support Water Resilience Portfolio Action 3.6. The Commission staff will develop a white paper for Commission approval that draws on public discussions and will include a set of conclusions and suggested next steps for how to shape well-managed groundwater trading programs with appropriate safeguards for communities, farms, and the environment. This paper will inform Action 3.6 implementing agencies.

At the November Commission meeting, the Commission will hear a recap of the information discussed at the workshops.

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Meeting Date: November 17, 2021

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### **Background**

On July 28, 2020, the California Natural Resources Agency, California Environmental Protection Agency, and the California Department of Food and Agriculture issued the final [Water Resilience Portfolio](#) (portfolio) in response to Governor Newsom's Executive Order N-10-19, which calls for a "set of actions to meet California water needs through the 21st century." The portfolio outlines a broad suite of actions designed to move the state toward water resilience. The portfolio includes Action 3.6: 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. Action 3.6 is assigned to the Department of Water Resources, the State Water Resources Control Board, California Department of Food and Agriculture, and the California Department of Fish and Wildlife and embedded in a section of the portfolio that is focused on maintaining and diversifying water supplies, which includes actions designed to help regions secure groundwater supplies by supporting the transition to sustainable use. In a letter dated March 15, 2021, the Secretaries for Natural Resources, Environmental Protection, and Food and Agriculture, requested that the Commission initiate the action by leading a thorough and inclusive public dialog, similar to the Commission's recent effort to assess a state role in financing climate-resilient conveyance.

The Commission's work on water trading will implement Goal One of the Strategic Plan, which calls on the Commission to "serve as a primary public forum for the discussion of improving water management policy to assist regions in achieving climate resiliency ... including those actions of the Water Resilience Portfolio assigned to the Commission."

### **Meeting Overview**

At this meeting, Lisa Beutler, Executive Facilitator for Stantec, will present a summary of the input received through its two public workshops.

This is an informational item.

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