

**MCMULLIN AREA GROUNDWATER
SUSTAINABILITY AGENCY
WATER BANKING POLICY**

POLICY NO. 2020- _____
DATE ADOPTED: _____, 2020

1.0 Background.

a. Water banking is a form of conjunctive use,¹ in which surface water is either allocated for current use (in lieu of groundwater pumping), or stored in aquifers for later use, thereby preserving and enhancing existing groundwater supply. Those engaged in water banking activities typically contract with the operator of a banking facility, and through the practice of forgoing direct water deliveries during certain periods, are able to “bank” the forgone water for future use. Other options for banked water include the sale of the right to use the forgone water to another user in exchange for a fee, an *in situ* transfer², or an in-kind transfer whereby water may be delivered from alternate sources and locations. Water banking is typically used in situations involving facilities with significant storage capacity and capable of facilitating such transfers of water.

b. In California, water banking is used as a tool to stabilize and enhance available water supplies without the associated challenges of surface water storage, including the costs of building surface storage facilities and potential impacts to fish and wildlife. Storing water underground can be a cost-effective way to save water during wet years for use during dry years, and has become an increasingly important water management tool as the reliability of the state’s water resources, and more specifically the resources within the McMullin Area Groundwater Sustainability Agency (“MAGSA”), continue to become more variable. Utilizing surface water in lieu of groundwater during wet years when surface water is more plentiful allows groundwater to be available during those inevitable dry years.

c. MAGSA has prioritized additional surface water resource identification, diversification, import, recharge and/or utilization within its Groundwater Sustainability Plan (“GSP”), in lieu of groundwater extraction, as a viable method by which it may reduce impacts of overdraft within the Subbasin, and achieve the ultimate goal of groundwater sustainability. Water banking activities and operation of potential water banking facilities within MAGSA are consistent with MAGSA’s groundwater sustainability goals.

2.0 Purpose.

a. The California Department of Water Resources (DWR) has determined that the groundwater resources within the Kings Subbasin (Basin No. 5-22.08) (“Subbasin”) are in a

¹ “Conjunctive use” refers to the coordinated use of both surface water and groundwater.

² *In situ*, meaning “in place,” refers to a transfer of water that does not necessarily involve physical conveyance; the water may remain where it is for use by another.

critical state of overdraft. It has been further determined through initial analyses by the Kings Subbasin Coordination Group³ that MAGSA's portion of the Subbasin is overdrawn in an amount at or near 90,000 acre-feet annually. Additionally, through its GSP, MAGSA has identified areas of critical overdraft within MAGSA and has determined that groundwater is an essential and indispensable resource for agricultural, municipal, industrial, and domestic uses within MAGSA.

b. MAGSA has determined, and this Policy further acknowledges, that there are unique geographic and hydrogeological conditions present within MAGSA's boundary. The portion of the Subbasin underlying MAGSA provides an abundant quantity of natural underground storage and is available for MAGSA's use for water banking and related purposes. MAGSA finds that providing greater management and operational flexibility over its groundwater resources through maximized use of the unique conditions underlying the MAGSA area, including opportunities for conjunctive use of both surface and groundwater and/or the operation of a water banking facility within MAGSA, is in the best interest of MAGSA and its landowners.

c. Further, MAGSA finds that adoption of a clear Policy promoting the operation of water banking facilities within MAGSA is in the best interest of MAGSA and its landowners. MAGSA has determined that the operation of a water banking facility within MAGSA may represent one of several integral tools for addressing conditions of groundwater overdraft within MAGSA, and for enhancing, protecting, and sustainably managing MAGSA's water resources within its boundaries pursuant to and consistent with SGMA.

d. The purpose of this Water Banking Policy is to establish general guidelines by which the MAGSA commits itself to certain principles for banking water (both surface and groundwater) within its boundaries. Specifically, this Policy outlines measures MAGSA may implement for its oversight of any water banking activities within its boundaries.

3.0 Scope and Applicability.

This Policy specifically applies to:

a. That portion of the Kings Subbasin located in Fresno County lying and situate within MAGSA's boundaries (as depicted in **Exhibit A**, attached and incorporated herein);

b. Any and all water, regardless of origin, banked, proposed for banking, or otherwise subject to MAGSA's oversight through any water banking activities within MAGSA;

c. Any and all data collected by MAGSA and/or its consultants and other partners pursuant to water banking activities within MAGSA; and

³ The Kings Subbasin Coordination Group is comprised of the seven GSAs organized and overlying the Kings Subbasin, including: MAGSA, Central Kings GSA, James ID GSA, Kings River East GSA, North Fork Kings GSA, North Kings GSA, and South Kings GSA.

d. Any parties, persons, entities, or public agencies that have applied to MAGSA (or may apply in the future), or that have contracted with MAGSA (or may contract with MAGSA in the future) for the purpose of banking water within MAGSA (“Water Bank Partner/Contractor”).

e. Water Bank Partner/Contractors are subject to and may rely upon this Policy and any updates thereof, and any supplemental guidelines and/or regulations adopted implementing or otherwise related to this Policy.

4.0 Authority.

As a Groundwater Sustainability Agency (“GSA”) properly organized pursuant to the Sustainable Groundwater Management Act of 2014 (Water Code §§ 10720 et seq.) (“SGMA”), MAGSA is authorized to adopt rules, regulations, ordinances, and resolutions for purposes of fulfilling its obligations as a GSA (Water Code § 10725.2(b), and MAGSA adopts this Policy pursuant to this authority.

5.0 Data Collection and Monitoring.

MAGSA has determined that a successful groundwater banking program requires adequate groundwater data collection, monitoring and modeling to determine aquifer characteristics, estimate groundwater banking capacity, simulate and verify short- and long-term practical and environmental outcomes associated with stored water, and to assess the costs and benefits of a proposed project. As such, MAGSA finds that comprehensive groundwater data collection, monitoring and modeling is an anticipated and necessary aspect of any and all water banking activities within MAGSA.

6.0 Policy Statement.

With acknowledgement of the information set forth herein above, until further modified as set forth hereafter, the following shall serve as the MAGSA Policy for Groundwater Banking within the MAGSA boundary:

a. MAGSA acknowledges that there is within the Central Valley of California a continuing imbalance between available surface water supply and storage as a result of recurring drought, increased regulatory pressure, continuing climate variability, lack of adequate conveyance and lack of adequate storage facilities. MAGSA has a significant need for viable water storage alternatives. The efficient operation of dedicated water banking facilities provides water management flexibility and adaptability for dealing with these conditions and, to the extent said facilities may be reasonably developed and operated within MAGSA as a result of MAGSA’s unique geographic, hydrogeological or hydrologic conditions, it shall be a MAGSA Policy and priority to continue to take such steps that are in furtherance of enhanced conveyance, storage and supplemental water supply goals associated with said water banking operations within MAGSA.

b. Based upon currently available economic and environmental criteria, water banking programs involving storage of water in groundwater aquifers are preferred. The development of additional groundwater recharge and storage capabilities, including the operation of a water

banking facility, in conjunction with other Federal, State and/or regional agencies and water rights holders, within MAGSA, shall be encouraged and favored by MAGSA.

c. MAGSA, in developing and operating groundwater banking facilities, shall encourage the import of any and all qualifying surface water supply for storage within the MAGSA water banking facility or facilities when it can be accomplished in a reasonable, efficient and responsible manner.

d. MAGSA shall seek coordination, cooperation, collaboration or actual partnerships and/or other acceptable forms of organizational relationships with potential banking partners that result in mutually beneficial recharge, storage, return and exchange opportunities including, but not limited to, the ability to enhance direct and in-lieu recharge or recovery operations within MAGSA in accordance with MAGSA's water banking program(s) and in furtherance of MAGSA's Groundwater Sustainability Plan.

8.0 Effective Date and Modification.

a. This Policy shall become effective upon its passage and adoption.

b. MAGSA's Board of Directors may modify this Policy at any time, at its sole discretion, pursuant to the applicable procedures described in MAGSA's Bylaws.

The foregoing Water Banking Policy was passed and adopted by the Board of Directors for the McMullin Area Groundwater Sustainability Agency, at a regular meeting thereof held on the ____ day of _____, 2020, by the following vote:

AYES:
NOES:
ABSENT:

Chairperson, Board of Directors
McMullin Area Groundwater Sustainability

Agency

ATTEST:

MATTHEW H. HURLEY

Approved as to legal form and effect:

Legal Counsel

Exhibit "A"

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