

Section 5 Project and Management Actions

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5.1 Introduction § 354.42

Pursuant to §354.42 of the SGMA Regulations¹, this section describes the criteria for projects and management actions that the Agency, its member agencies, and/or its stakeholders intend to undertake to achieve the sustainability goal of the Tule Subbasin over the planning and implementation horizon.

Additionally, pursuant to SGMA §10721(f), the governing body of the Agency is the legislative body that formed the Agency, in this case the Board of Directors of the Vandalia Water District. For any action identified in this Section for which the Agency is indicated as the Lead Agency, all subsequent decisions to implement actions, will be made by the Vandalia Water District Board of Directors, sitting as the governing body of the Agency.

VWD has a pre-1914 water right on the Tule River that meets approximately three-fourths of the total agricultural water supply needs of the District lands. Because of this, on a mass-balance basis, the lands within VWD GSA have historically been and are anticipated to remain within sustainable water budgets. The Projects and Management Actions described in this section are intended to monitor continued groundwater production and the continued availability of surface water supplies, to ensure that groundwater use remains within sustainable limits

5.2 Agency Projects and Management Actions § 354.44(a)

The projects and management actions of the Agency to achieve the sustainability goal for the portion of the Tule Subbasin within the VWD boundaries primarily include:

- A Groundwater Accounting Program, applicable to the VWD Management Area. Through this Action, the Agency verifies that groundwater consumption remains within balance on an average basis, as compared to the sustainable yield and District surface water deliveries that are actually documented. The Groundwater Accounting Program collects groundwater consumption data for the irrigated agricultural lands within the applicable Management Areas, based on observed evapotranspiration data. This data is applied to landowner accounting platform, through which the Agency establishes allowable pumping limits, and tracks and enforces pumping limits to confirm sustainability and avoid undesirable results.
- Due the overall balance or surplus condition of the District, subsidence has not been identified as a potential undesirable result in the GSA boundaries.
- Agency or Landowner Projects, such as water supply optimization, surface water development, managed aquifer recharge and banking, and agriculture land retirement.

¹ The Department of Water Resources has adopted regulations to specify the components of groundwater sustainability plans, alternatives to groundwater sustainability plans, and coordination agreements prepared pursuant to SGMA. These regulations, found at 23 CCR §350-358.4, are referred to herein as the SGMA Regulations

SGMA requires agencies to specify those conditions that will trigger the implementation of management actions. Because the subbasin has experienced impacts to domestic wells both before and during the initial SGMA implementation period, the Agency has determined that conditions currently exist to warrant implementation of all the projects and management actions described in this Chapter, and therefore no further triggers for these actions are described in the Plan.

The following table summarizes the Projects and Management Actions.

Project Type	Current Projects	Project Description	Lead Entity	Measurable Objectives Expected to be Met	Timeline
Groundwater Accounting and Program - <i>Section 5.2.1</i>	Vandalia Water District GSA Policies	Implementation of groundwater accounting and regulation policies through allocations	Vandalia Water District GSA	Groundwater elevation Groundwater change in storage Land Subsidence	Ongoing
Mitigation Plan- <i>Section 5.2.2</i>	Vandalia Water District Groundwater Sustainability Agency Groundwater Sustainability Plan Impact Mitigation Plan	Plan developed to provide a process for mitigating impacts to domestic wells and critical infrastructure associated with GSP/Agency Approved or authorized activities	Vandalia Water District GSA in coordination with all other Tule Subbasin GSAs	Mitigation for impacts and undesirable results due to Agency approved or authorized activities	2024-2040
Managed Aquifer Recharge and Banking Projects – <i>Section 5.2.3</i>	District Banking Program	The District built two 160 acre well fields known as the Upper and Lower Well fields to bank water for use in dry years during the construction of the	Vandalia Water District	Groundwater elevation Groundwater change in storage	Ongoing

		<p>distribution system. The water banked is pumped out and delivered to landowners. The District tracks how much surface water is sunk vs how much is pumped out.</p>			
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Policy	Objective	Implementation
<p>Policy 1: Water Measurement and Metering</p>	<ul style="list-style-type: none"> Allows the Agency to monitor groundwater usage by each landowner to avoid excess pumping Allows the Agency to allocate surface water proportionally to landowners 	<ul style="list-style-type: none"> Using a third party, Agency will use Evapotranspiration (ET), using NASA Landsat satellite imagery to measure Total Crop Demand Groundwater Consumption is calculated by Subtracting Total Applied Surface Water from Total Crop Demand
<p>Policy 2: Water Accounting and Water Transfers</p>	<ul style="list-style-type: none"> Allows the Agency to add groundwater inputs into landowner accounts through groundwater allocations Allows landowners to feasibly and economically manage their farm operation within the rules established by the Agency and Tule Subbasin 	<ul style="list-style-type: none"> The Agency allocates groundwater credits are allocated by parcel The types of allocations are as follows: <ul style="list-style-type: none"> Tule Subbasin Sustainable Yield: Common Groundwater available to all landowners within the subbasin Precipitation Yield: Annual Average precipitation calculated from 1991 and onward (credits are not transferable) Transitional Groundwater Credits: Allocations of water above the sustainable limits, in order to assist landowners to transition to

		<p>sustainability (Credits are not transferable)</p> <ul style="list-style-type: none"> ○ Landowner Developed Credits: Surface water recharged by a landowner, or banked water purchased by a landowner ● The Agency debits groundwater consumption from each APN account monthly in the following sequencing: <ul style="list-style-type: none"> i. Precipitation Yield ii. Sustainable Yield iii. iv. Transitional groundwater credits (Sequencing can be switched at the landowner's discretion) v. Landowner developed groundwater credits (Sequencing can be switched at the landowner's discretion) ● Accounts will have an allowable limit based on total amount of credits in an account and will be subject to enforcement through policy 6 ● The Agency will monitor transfers through required notification and approval of each transfer to ensure transfers are following policy requirements
<p>Policy 3: Transitional Groundwater Consumption</p>	<ul style="list-style-type: none"> ● Allows the Agency to allocate transitional credits (allocations of water above the long-term sustainable limits in the Agency) 	<ul style="list-style-type: none"> ● Transitional credits are allocated on an annual basis based on modeling projections, with the goal of ensuring use of them will not result in groundwater levels

	<p>to landowners to assist with the transition to sustainability</p> <ul style="list-style-type: none"> • The Agency may adjust the allocation as needed to avoid undesirable results during transition 	<p>declining below the Agency Sustainability Management Criteria</p> <ul style="list-style-type: none"> • Transitional credits will be allocated with a fee schedule to disincentive use and provide mitigation funding • If a landowner’s groundwater consumption exceeds the allocated transitional credits, they are subject to Exceeding the limit of allocation will result in fines and penalties (in addition to the transition credit fees) and enforcement per Policy 6 • Transitional credits cannot be transferred to other landowners and will be accounted for per Policy 2
<p>Policy 4: Landowner Surface Water Imported into the Agency</p>	<ul style="list-style-type: none"> • Allows landowners to participate in surface water exchanges or transfers imported into the Agency • Allows the Agency to monitor the surface water exchanges or transfers imported into the Agency and apply or debit the credits to the necessary landowner accounts 	<ul style="list-style-type: none"> • Surface water brought into the Agency and credited to the landowner will be subject to a loss/reduction factor as determined by the Irrigation District Board of Directors. • Surface water brought into the Agency will be delivered to the landowner based on canal capacity • Imported surface water may be used for groundwater recharge subject to the policies of the GSP
<p>Policy 5: District Groundwater Banking</p>	<ul style="list-style-type: none"> • The Agency banks and stores surface water for later use 	<ul style="list-style-type: none"> • The Agency stores and extracts surface water in two well fields for delivery as surface water to landowners • The water banked will be delivered to landowners for

		<p>irrigation needs during dry years with minimal surface water.</p> <ul style="list-style-type: none"> • Water banked is tracked to know the amount that is stored and can be delivered during dry years
<p>Policy 6: Enforcement of Groundwater Policies</p>	<ul style="list-style-type: none"> • Allows the Agency to enforce the GSP by collecting groundwater charges and applying penalties to landowners 	<ul style="list-style-type: none"> • Sets a process in place to enforce for non-compliance of these Groundwater Policies. • The Agency will apply an interest rate of 1 percent per month of the delinquent amount of the groundwater fee and a 10 percent penalty if groundwater fees have not been paid within 30 days • Sets process to penalize and enforce consumption of groundwater beyond the Allowable Limits with a penalty up to \$500 per acre-foot and order a Cease and Desist which may be enforced through civil action • Sets process to enforce non-compliance with Subsidence Management Plan

5.2.1 Agency Groundwater Accounting Program § 354.44(a)

As described in the earlier sections of this GSP, the groundwater use within the areas covered by the Agency is generally within safe yield on a mass balance basis. Further, the Agency is a net recharger in the subbasin by 1,000 acre-feet on an average annual basis. However, when accounted for on a parcel-by-parcel basis, some landowners may have reduced access to surface water and a corresponding greater reliance on groundwater. Further, in individual years,

particularly those in which the Tule River allocation for the District is reduced, most of the lands in the Agency experience greater reliance on groundwater.

In order to account for fluctuations in groundwater use on an individual parcel and individual year basis, and to prevent undesirable results that may be associated with those fluctuations, the Agency has identified as a management action the adoption and implementation of a groundwater allocation and accounting system applicable to all agricultural groundwater users in the Agency jurisdictional areas. Agricultural groundwater use represents the vast majority of groundwater use within the GSP. The Agency has implemented this management action by adopting and enforcing Policies 1 through 6 of the Agency. These Policies constitute the Groundwater Accounting Program (the “Groundwater Accounting Program”).

The Groundwater Accounting Program tracks surface water and groundwater use and establishes groundwater allocations in a manner that achieves the groundwater level and subsidence sustainability goals of the Agency. Through the accounting and allocation system, the Agency can provide flexibility, within specified limits, to allow for fluctuations in groundwater reliance between individual parcels and between individual year types, while ensuring the fluctuations do not reach the point of creating undesirable results in the form of localized groundwater level reductions and associated impacts. A key element of the Groundwater Accounting Program is the ability to initially provide transitional pumping allocations that allow for limited groundwater pumping above sustainable yield rates, and in later years to store and use surplus surface water groundwater recharge credits. Both transitional pumping allocations and landowner-developed surplus surface water credits are used to account for fluctuations in groundwater reliance due. Vandalia Water District GSA Policy 3 defines groundwater pumping in excess of the sustainable limit as the Transitional pumping allocation. The Agency sets the Transitional pumping allocation annually based on observed subbasin conditions and established management criteria. Policy 3 requires Transitional pumping allocations to be minimal initially, and then eliminated over time, after landowners and the Agency have had the opportunity to develop and store surplus surface water credits. The Groundwater Accounting Program is intended to be adaptable, subject to modification by action of the Agency Board through standard public processes. The Agency recognizes that specific rules and regulations that are included in Policies 1 through 6 may need to be adjusted to reflect developing circumstances and avoid undesirable results.

Implementation of successful groundwater allocation, accounting, and database actions will, in general, help account for the actual consumption of groundwater supplies to ensure that significant overdraft within individual years does not occur, and that overall balanced or surplus conditions continue during the Plan implementation period within the Agency. These Policies are attached as **Appendix 1-A, Vandalia Water District Groundwater Sustainability Agency Policies**. The following is a table showing specifically how each Policy addresses that objective:

5.2.1.1 Lead Entity

VWD GSA (or “Agency”)

5.2.1.2 Relevant Measurable Objective(s) § 354.44(b)(1)

This Action will benefit the following sustainability indicators: groundwater elevations, groundwater change in storage, groundwater quality, and land subsidence.

5.2.1.3 Circumstantial Considerations § 354.44(b)(1)(A)

Given the general condition and associated effects of critical overdraft prevailing within the Tule Subbasin (see **Section 2 – Basin Setting**), the Agency has already acted to develop and implement the Groundwater Accounting Action, including a system for use tracking and fees for transitional water consumption (the temporary use of water above what would be considered sustainable in 2040, described in Section 5.2.1.5). The use of the data generated with the accounting system will also provide the information to trigger updates to policy and further actions by the Agency GPC and Board.

5.2.1.4 Public Notice Process § 354.44(b)(1)(B)

During the planning phase of this Plan, the accounting and database system was a significant focus and discussion amongst the stakeholders. The Agency has engaged and undertaken outreach with stakeholders in the form of meetings, public presentations, website resources, interested parties list, digital correspondence, and landowner workshop meetings to ensure that the public was informed and invited to participate in the development of the accounting system to track water use and landowner water budgets.

Public notice, engagement, and involvement continues to occur following adoption and implementation of this Plan during the Board of Directors meetings as required under the Ralph M. Brown Act.

Public notice related to the implementation of any fees, charges, or assessments would be compliant with the requirements of SGMA, Proposition 218, and/or such other laws as they may apply.

5.2.1.5 Quantification of Water Budget Impact § 354.44(b)(2)

The Groundwater Accounting Plan accounts for annual groundwater use, limits groundwater pumping, and provides for adaptive management to obtain sustainability during the plan implementation period.

The projected water budget impact of this Action is based on the current estimated consumptive use of the landowners within the Agency identified in the Water Budget summarized in **Section 2: Basin Setting**, and reducing the groundwater pumped above the sustainable yield (Transitional allocations) per the schedule summarized in **Table 5-1: Proposed Reduction in Groundwater Use During Plan Implementation**.

Attachment 2, Table 2, Appendix I reflects the historical surpluses and deficits of groundwater in VWD.

Table 5-1: Proposed Reduction in Groundwater Use During Plan Implementation

2025-2029	2030-2034	2035-2040
0.75 Acre-Feet	0.5 Acre-Feet	0.25 Acre-Feet

Though, as a GSA the water balance is positive, when accounted for on a parcel-by-parcel basis, some landowners may have reduced access to surface water and a corresponding greater reliance on groundwater. Further, in individual years, particularly those in which the Tule River Supply for the District is reduced, most of the lands in the Agency experience greater reliance on groundwater. Therefore, in order to build up banked water in the ground for use in dry years, a transitional, ramp down period is needed.

This proposed ramp down schedule for Transitional allocations is reflected in the modeling to show anticipated achievement of the revised sustainability goals, as described in Section 3 of this GSP. As noted above, the proposed schedule is subject to change if needed to respond to actual monitoring results.

5.2.1.6 Permitting and Regulatory Process § 354.44(b)(3)

Implementation of the accounting system during the implementation period is not subject to CEQA or NEPA. Projects developed to implement the policy may be subject to CEQA and/or NEPA depending on the member Agency undertaking the project and the nature of the projects.

Fees, charges and assessments associated with this Action would likely be subject to the requirements SGMA, Proposition 218, and/or other laws that might apply.

5.2.1.7 Timeline § 354.44(b)(4)

Implementation of the accounting system occurred in November 2024. Full implementation of this Action, including fees associated with consumption of groundwater above allocated sustainable yield, occurred in November 2024, with the total volume of allowable groundwater extractions ramping down in five-year increments beginning with the 2024-2025 Water Year.

The following is a detailed timeline of the actions taken to date to implement this Action:

- Prior to December 2024: Design, structure, and develop comprehensive Data Management System (hereafter, “DMS”) for facilitating member management, billing, and groundwater accounts
- October 2024: Began tracking groundwater extractions by landowner.
- November 2024: Implemented Accounting System for landowners to utilize.

- 2024 and ongoing: Outreach to groundwater users, landowners, public water systems, and all other potentially impacted stakeholders on accounting system rules, requirements and necessary compliance procedures, updates to system as needed.
- October 1, 2024: Initiated full Accounting System
- December 2024: Adopted and began funding Domestic Well Mitigation Plan

5.2.1.8 Anticipated Benefits § 354.44(b)(5)

The primary benefit from this Action will be the assurance of minimal unsustainable groundwater pumping followed by balanced or surplus conditions of groundwater. Ancillary benefits include mitigating the decline of local groundwater levels and mitigating the occurrence of other conditions associated with declining groundwater levels, such as subsidence and the migration of contaminant plumes.

The Agency will evaluate the benefits to relevant sustainability indicators and their associated measurable objectives per the monitoring programs and procedures described in the Tule Subbasin Monitoring Plan (**Appendix 1-H, Tule Subbasin Coordination Agreement**). Regular reporting by groundwater users, surface water users, Member Agencies, and all others required to participate in this Action or otherwise provide data as it relates to this Action will allow the Agency to appropriately assess the achievement of this Action's primary benefit.

Isolating the effects of this specific Action to relevant sustainability indicators will be difficult due to the other Actions contemplated to be implemented concurrently within the Agency and the remainder of the Tule Subbasin.

5.2.1.9 Accomplishment § 354.44(b)(6)

Accomplishment of this Action is ongoing, according to the process described in Section 5.2.1.7. The objective of this Action is to account for groundwater pumping and ensure sustainability goals are met.

5.2.1.10 Legal Authority § 354.44(b)(7)

As a Groundwater Sustainability Agency formed pursuant SGMA, the Agency may exercise authority to:

- Require the registration of groundwater extraction facilitates [WAT § 10725.6];
- Impose spacing requirements on new wells and reasonable operating regulations on existing wells [WAT § 10726.4(a)(1)];
- Control groundwater extractions by regulating, limiting, or suspending groundwater extractions [WAT § 10726.4(a)(2)];
- Authorize temporary and permanent transfers of groundwater extraction allocations within the Agency [WAT § 10726.4(a)(3)];

- Establish accounting rules to allow unused groundwater allocations issued by the Agency to be carried over from one year to another [WAT § 10726.4(a)(4)]; and
- Impose fees and enforce the collection of those fees [WAT § 10730 et seq.]

5.2.1.11 Cost & Funding § 354.44(b)(8)

Implementation of this Action includes the following major cost components:

- Monitoring
- Creating and Maintaining Data Management Systems
- Funding for Project and Management Actions to Assist in achieving Sustainability
- Administration

The Agency completed development of a Data Management System to facilitate groundwater accounting, transfers, billing, and other administrative functions. Agricultural groundwater use is primarily monitored using remote evapotranspiration technology provided from an outside contractor for approximately \$1,500 per year. Municipal, industrial, and certain other extraction facilities require metering and regular reporting to the DMS by way of self-reporting, regular readings by Agency personnel, and/or advanced metering infrastructure. Costs associated with metering and reporting extraction from these facilities are highly variable depending on the method of reporting chosen and the number of extraction facilities not yet metered.

Projects and Management Actions to be funded by the Agency landowners or Member Agencies through the Accounting System may include, but are not limited to:

- Groundwater elevation and land subsidence programs
- Groundwater recharge and banking programs
- Well rehabilitation and deepening programs
- Municipal service connection programs
- Clean drinking water and in-home treatment programs
- Infrastructure rehabilitation programs

The fees collected on transitional pumping credits also fund mitigation. 5.2.1.12 Drought Offset Measures § 354.44(b)(9)

Various components of the accounting system, including allocations, carry-over rules, recharge credits, and enforcement, will ensure that groundwater users are able to plan for and manage against periods of drought while operating within the limits determined to be sustainable.

5.2.2 Mitigation Program Action § 354.44(b)(1)

5.2.2.1 General Summary

This GSP, together with the other Tule Sub-Basin GSPs, are designed for the Subbasin to reach sustainability by 2040 and beyond. However, during implementation and until sustainability is

reached, some level of continued groundwater level decline and land subsidence is expected. The Agency plans to adopt a Mitigation Program as a Management Action as part of initial GSP approval in 2024 and is in the process of working on an updated subbasin wide Mitigation Program. The purpose of a Mitigation Program is to mitigate those wells, critical infrastructure, and land uses that are adversely affected by declining groundwater levels, land subsidence, and changes to groundwater quality caused by overdraft pumping, until the Agencies reach sustainability.

Because it is not anticipated that significant transitional pumping will occur in the Agency due to its average balanced condition, it is also not anticipated that well failures within or outside the agency, or subsidence related impacts, will need to be mitigated by the Agency. However, whether through an individual Agency mitigation program or a subbasin wide program, the Agency will continue to monitor the need for implementation and be prepared to fund it where necessary. The Mitigation Program will have the following elements:

a) Identification of Impacts to be Addressed by Mitigation Program

The Mitigation Program will identify the specific needs for mitigation caused by pumping within the Agency's boundaries and will identify the impacts to beneficial uses that the Program is intended to address. The Mitigation Program will provide a claim process to address impacts to (i) domestic and municipal wells, (ii) agricultural wells and (iii) critical infrastructure. Decisions to include or exclude impacted users from participation in the Agency's Mitigation Program will be supported by appropriate written technical data and analysis.

b) Process

For claims of impact to wells related to groundwater level declines, the process to be adopted by the Mitigation Program may include:

- 1) an application process by the well owner
- 2) data collection by the Agency to verify the claim
- 3) identification of suitable mitigation
- 4) response to said affected user

For claims of impact to land uses from land subsidence, the process may include:

- 1) an application process by the affected party
- 2) data collection by the Agency to verify the claim
- 3) identification of suitable mitigation
- 4) coordination, as necessary, with said affected parties to implement the mitigation

For claims of impact to groundwater quality that is attributable to pumping allowed by a Agency/GSP, the process may include:

- 1) an application process by the affected party

- 2) data collection by the Agency to verify the claim
- 3) identification of suitable mitigation
- 4) coordination, as necessary, with said affected parties to implement the mitigation

SGMA requires Agencies and GSPs to measure sustainability from 2015 forward. As a result, Agencies do not necessarily need to provide mitigation for impacts that occurred prior to January 1, 2015.

For those claims that are shown not to be related to GSP / Agency-approved or authorized activities, the Agency will, to the extent possible, provide assistance to the affected party to identify programs for addressing their issue.

c) *Investigation*

Once a claim of adverse impact has been made to an Agency, whether it be for well, specific land use, critical infrastructure or groundwater quality issue(s), the Mitigation Program will provide for the investigation of the claim.

d) *Qualifications for Mitigation*

The Mitigation Program may determine whether to provide full or partial mitigation based on a user's compliance with the Agency's GSP, Rules & Regulations, and other laws or regulations. For example, a user whose own pumping has caused or contributed to overdraft or damage to their own well may not qualify for mitigation under the Program. Further, mitigation will be applied only to those claims that are shown to be attributable to GSP / Agency-approved or authorized activities. The Mitigation Program will also address how claims that an Agency determines are caused by pumping outside the Agency's boundaries will be addressed.

e) *Mitigation*

Once a claim of impact has been confirmed to be due to GSP/Agency-approved or authorized activities, the Mitigation Program will identify suitable mitigation to alleviate the impact.

For groundwater level impacts, this could be any of the following:

- 1) Deepening the well
- 2) Constructing a new well
- 3) Modifying pump equipment
- 4) Providing temporary or permanent replacement water
- 5) Coordinating consolidation of the domestic well owner with existing water systems
- 6) With the consent of the affected user, providing other acceptable means of mitigation

For land use impacts, this could be any of the following:

- 1) Repair to canals, turnouts, stream channels, water delivery pipelines, and basins
- 2) Repair to damaged wells

- 3) Addressing flood control
- 4) Addressing other damaged infrastructure
- 5) With the consent of the affected user, providing other acceptable means of mitigation

For groundwater quality impacts (due to groundwater management/actions), this could be any of the following:

- 1) Adjusting groundwater pumping locations, rates or schedules
- 2) Modifying project operations
- 3) Providing temporary or permanent replacement water
- 4) Coordinating consolidation with existing water systems
- 5) With the consent of the affected user, providing other acceptable means of mitigation

Various factors may reflect the proper mitigation methods for the specific issue. For example, age, location, financial impact to the beneficial user as a result of mitigation, and the beneficial user may reflect which mitigation measures are chosen by the Mitigation Program.

f) Funding

The Tule Subbasin Technical Team performed a Well Impact Analysis which provided a mitigation cost estimate under a variety of drought scenarios. These costs are estimated to include:

- Well mitigation
- emergency and interim supplies
- SHE administration
- Contractor assistance during assessment phase of mitigation

In the event funding requires revisions, alternatives may include raising groundwater extraction fees and/or property-based tax. The Agencies will also explore grant funding at state and federal levels to assist with future funding.

5.2.2.2 Lead Entity

The Agency is the Lead Agency for the adoption and implementation of the Impact Mitigation Program.

5.2.2.3 Relevant Measurable Objective(s) § 354.44(b)(1)

The Mitigation Program will directly address the impacts to beneficial uses and users from chronic lowering of groundwater levels, reduction in groundwater storage, subsidence, and/or impaired groundwater quality (due to groundwater management/actions) by providing funding for replacement wells or well modifications to eligible landowners, or the other potential mitigation described above.

5.2.2.4 Circumstantial Considerations § 354.44(b)(1)(A)

Circumstances currently exist that warrant development and implementation of a Mitigation Program, which will be developed and implemented according to the timeline provided below in Section 5.2.2.8.

5.2.2.5 Public Notice Process § 354.44(b)(1)(B)

Public outreach and education will be separately performed during development of the mitigation program and prior to implementation by the Agency.

Prior to implementation, extensive outreach will be needed to notify landowners of the Agency's Program requirements and how they can apply for assistance. Outreach may need to be performed in multiple languages as appropriate for each particular Agency. Outreach methods could include workshops, mailings, flyers, website postings, Board meeting announcements, etc.

5.2.2.6 Quantification of Water Budget Impact § 354.44(b)(2)

The purpose of a Mitigation Program is to mitigate those wells, critical infrastructure, and land uses that are adversely affected by declining groundwater levels, land subsidence, and changes to groundwater quality while the Agencies reach sustainability.

5.2.2.7 Permitting and Regulatory Process § 354.44(b)(3)

The Mitigation Program will be adopted by the Agency governing board and will not require permitting or regulatory processing by another agency.

5.2.2.8 Timeline § 354.44(b)(4)

The Agency formulated and implemented a mitigation claims process for domestic and municipal use impacts by December 31, 2024. During program development, the Agency will conduct community outreach and coordinate with local programs in the County, State or non-profit organizations, including the Tule Basin Water Foundation.

5.2.2.9 Anticipated Benefits and Evaluation § 354.44(b)(5)

The proposed Program will directly mitigate impacts to beneficial uses and users due to the following:

- Chronic lowering of groundwater levels;
- Land Subsidence;
- Degradation of Groundwater Quality due to Agency Actions.

The Program will provide a direct benefit to beneficial users in the Agency who have had their wells / pumping impacted because of continued or worsening overdraft conditions while the Agency implements other projects and management actions to achieve sustainability. The metric

for measuring program benefits will be the number of wells, critical infrastructure and land uses that are impacted and mitigated under this Program.

5.2.2.10 Accomplishment § 354.44(b)(6)

The Mitigation Program will be adopted by the Agency governing board.

5.2.2.11 Legal Authority § 354.44(b)(7)

California Water Code Section 10725.2 provides the Agency has the powers and authorities “perform any act necessary or proper” to implement SGMA regulations and allows the Agency to adopt rules, regulations, ordinances, and resolutions necessary for SGMA implementation. The Agency also has authority to conduct investigations as to compliance with and impacts to a GSP. (Water Code Section 10725.4.) A mitigation program is an act necessary or proper to implement SGMA. (23 CCR §355.4(b)(6).)

5.2.2.12 Cost & Funding § 354.44(b)(8)

The Agency has not identified any wells likely to be impacted as a result of the GSP activities, and therefore no pre-assigned portion of the subbasin wide mitigation program has been assigned to the Agency. Per Table 2, Attachment 4, no wells are projected to be impacted. Within the Agency boundaries. This is due to the water balance surplus of 1,000 AF on an average annual basis in the Agency.

5.2.2.13 Drought Offset Measures § 354.44(b)(9)

This Action is intended to mitigate impacts experienced during the transitional period of sustainability planning.

5.2.3 Managed Aquifer Recharge and Banking Projects § 354.44(b)(1)

5.2.3.1 General Summary

Managed Aquifer Recharge and Banking Projects are those Projects that a Lead Entity may implement to recharge imported, recycled, or other surface water (rights or purchased) to improve local groundwater conditions and/or extract these supplies in the future. Through the development or continuation of various recharge activities, entities will be able to:

- Increase the total volume of water that can be made sustainably available for existing and future uses;
- Increase groundwater inflow and mitigate for groundwater extraction that is in excess of the Tule Subbasin’s native safe yield;
- Store water within the subbasin in anticipation of future extraction and application to beneficial uses;
- Decelerate or otherwise reduce ongoing subsidence; and/or

- Create intermittent environmental habitat.

Implementation of successful Managed Aquifer Recharge and Banking Actions will, in general, assist in the balancing of groundwater extractions with groundwater inflows within the Agency.

Examples of Managed Aquifer Recharge and Banking Projects may include, but are not limited to:

1. Part ownership in the DCTRA basin
2. Groundwater banking system

5.2.3.2 Lead Entity

The Lead Entity will vary depending on the Agency or landowner undertaking the Project.

5.2.3.3 Relevant Measurable Objective(s) § 354.44(b)(1)

These types of Projects will generally affect the groundwater elevation, groundwater change in storage, and land subsidence measurable objectives.

5.2.3.4 Circumstantial Considerations § 354.44(b)(1)(A)

The Agency or landowner considering a project for managed aquifer recharge and banking will review the benefits of the project compared to the cost of the project. The Agency will evaluate whether optimizing water supplies is the most beneficial use of Agency funds to achieve the goals and objectives of this Plan, or if other projects or actions might be more cost effective to achieve similar results.

5.2.3.5 Public Notice Process § 354.44(b)(1)(B)

For those projects that are Agency projects, standard CEQA public process will be implemented. All meetings of the Public Agency will follow the requirements of the Ralph M. Brown Act. For those projects' which are landowner driven, public notice may not be required.

5.2.3.6 Quantification of Water Budget Impact § 354.44(b)(2)

Projects completed under this category will have varying effects on the Water Budget, but generally, each project will increase the available quantity of ground water available for consumption. Each year, the Agency will measure groundwater levels and calculate the change in groundwater storage, per the Monitoring Plan (**Section 4**) for which the quantification of groundwater storage can be estimated.

5.2.3.7 Permitting and Regulatory Process § 354.44(b)(3)

The permitting and regulatory process will vary depending on the location and description of the Project. In general, the permitting and regulatory process may include the following:

- A Mitigated Negative Declaration and other materials and activities as required by the California Environmental Quality Act (hereafter, “CEQA”), for the construction of facilities and other activities;
- A Mitigated Finding of No Significant Impact and other materials and activities as required by the National Environmental Policy Act (hereafter, “NEPA”), for the use of federal grant funds provided by BOR and construction of the facilities and other activities;
- A Construction General Permit issued by State Water Resources Control Board and required Stormwater Pollution Prevention Plan (hereafter, “SWPPP”) for soil disturbances related to construction of the facilities; and
- A Dust Control Plan (hereafter, “DCP”) as required by the San Joaquin Valley Air Pollution Control District for mitigation of dust-related disturbances related to construction of the facilities.
- A US Army Corps of Engineers and/or California Department of Fish & Wildlife permit if affecting jurisdictional waterways.
- Local Tulare County Building Permit

5.2.3.8 Timeline § 354.44(b)(4)

The timeline to complete Projects in this category varies depending on the complexity of each project. The projects may vary from a few weeks to several years.

5.2.3.9 Anticipated Benefits and Evaluation § 354.44(b)(5)

The ability to recharge and bank historically available but otherwise undelivered surface water supplies will increase groundwater storage and provide reliability of water within the Agency.

Benefits to relevant sustainability indicators and their associated measurable objectives will be evaluated per the monitoring programs and procedures described in the Tule Subbasin Monitoring Plan (see **Attachment 2 of Appendix 1-H, Tule Subbasin Coordination Agreement**).

Isolating the effects of these specific Projects to relevant sustainability indicators will be difficult due to the other Actions contemplated to be implemented concurrently within the Agency and the remainder of the Tule Subbasin.

5.2.3.10 Accomplishment § 354.44(b)(6)

The Projects will be accomplished by receiving adequate funding, completing the permitting, and construction of the physical infrastructure associated.

The purpose of these Projects is to utilize existing water supplies that are historically reliable and utilize these supplies more efficiently. The Agency implemented the following projects:

- The Agency has two well fields (Upper Well Field and Lower Well Field) that were developed for groundwater banking. The Water District sinks and stores surface water in the well fields for later delivery to landowners for irrigation demand.
- In 2022 the Agency has purchased 2.79% ownership share of the DTCRA basin for extra banking and storage capacity. The District would use banked water in this facility to exchange with other partners to supplement surface water supplies.

5.2.3.11 Legal Authority § 354.44(b)(7)

The legal authority for these projects varies depending on the Public Agency involved. Generally, the Water Code or Municipal Code for the formation of these Public Agencies allows them the authority to do the Projects described in this category. Landowner driven projects will need legal permissions from the owner of the parcel.

5.2.3.12 Cost & Funding § 354.44(b)(8)

The costs associated with these projects will vary by project may include:

- Environmental & Planning Permitting
- Construction Documents & Building Permits
- Construction

Funding for these projects will vary by project also, and may include:

- State or Federal Grant Programs
- Member Agency Assessments
- Private Landowner Contributions

5.2.3.13 Drought Offset Measures § 354.44(b)(9)

This Action is intended to maximize the recharge of available surface during wet years and banking this available excess water for use during the drought years. As surface water is stored in the groundwater, reliability of water during droughts to prevent the exceedances of minimum thresholds is greatly increased.

Appendix 5-A: Vandalia Water District Groundwater Sustainability Policies

**Vandalia Water District
Groundwater Sustainability Agency
Policies**

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POLICY 1: WATER MEASUREMENT AND METERING

1.0 The landowners within the GSA utilize both surface water and groundwater to meet the needs of the business operations and producing agricultural products. A key component to manage the sustainability of groundwater is to measure quantitatively the total amount of water used by each landowner within the GSA. This will allow the GSA to track groundwater water usage by landowner which can then be correlated to the amounts allowed to achieve sustainability.

The GSA will hire a third party to monitor crop demand on each parcel within the GSA boundaries utilizing satellite imagery to calculate Evapotranspiration at the parcel level as described in more detail below:

1.1 Calculate Groundwater Consumed using Evapotranspiration

To calculate the amount of groundwater consumed by the crop, the following equation is applied:

1.1.1 Total Applied Surface Water is supplied and metered by the Water District, and recorded by the GSA on a parcel basis.

1.1.2 Total Applied Surface Water is supplied and metered by the Water District and recorded by the GSA on a parcel basis.

1.1.3 Total Crop Demand (Evapotranspiration or ET) is calculated by a third party, using NASA LandSat satellite imagery, and recorded by the GSA on a parcel basis.

a. If surface water applied is more than ET, the landowner will receive a credit for over application of surface water according to the following schedule:

Over Application of Surface Water for Irrigation Purposes

i. The credit calculated using this equation will be tracked For every acre-foot of over applied surface water,

90% credit goes to the landowner account, 10% to the GSA.

ii. For all groundwater credits issued to the landowners from over application of irrigation water, the credits will be available as the first water used in the month following the overapplication.

1.2 The satellite imagery used to determine the ET values, will be audited by the GSA

through spot checking land use for cropping patterns and compared to available District metered data.

1.3 A landowner may submit meter data to contest the ET consumption by the 15th of the following month for the previous 30 days. After the 15th of the following month, consumption and charges will be final. The GSA will review landowner submitted data for accuracy and coordinate with the third-party consultant to verify the accuracy and identify any errors or corrections needed. The GSA will complete the review and reflect any adjustments to the landowner account within 30 days. Any groundwater credit adjustments to the landowner account will be made to the same allocation buckets where consumption took place. Landowners can appeal any staff findings with the Board of Directors.

POLICY 2: WATER ACCOUNTING AND WATER TRANSFERS

2.0 To effectively achieve groundwater sustainability within the GSA and the Tule Subbasin, while maintaining the agriculture operations during the implementation of SGMA, each landowner within the GSA will be provided a baseline groundwater credit allocations. These groundwater credits allocation are inputs into the individual water bank account of each landowner, allowing each landowner to decide how to feasibly and economically manage their farm operation within the rules established by the GSA and the Tule Subbasin.

2.1 Water Accounting:

To adequately track, monitor, and account for the water credits within the GSA as required by Policy 1 (Water Measuring and Metering), groundwater accounts will be established and monitored for each landowner. Groundwater credits are allocated by APN and added to landowner accounts. Following is a description of the type of additions and subtractions to landowner groundwater accounts in the GSA:

2.2 Groundwater Credit Allocations (Additions)

And Definition:

		Transferable	Expiration
Tule Subbasin Sustainable Yield	Common Groundwater available to all landowners within Tule Subbasin, defined under Subbasin Coordination Agreement	Yes	5 years
Precipitation Yield	Annual average precipitation in the GSA, calculated from 1991 going forward.	No	5 years
Transitional Groundwater Credits	Transitional groundwater credit allocations are allocations of water above the long-term sustainability. Transitional credits are allocated per Policy 4.	No	Annual
Landowner Developed Credits	Surface Water diverted by the landowners into a specified recharge basin, credits per criteria set forth in Policy 2: Banking at Landowner Level credit per criteria set forth in Policy 2, or credits transferred from other landowners.	Yes	5-years

Groundwater Debits from Account (Subtractions)

Definition:

Groundwater Consumption

Monthly crop demand measured, per Policy 1.

Exceedance Consumption

Consumption above Allowable Limits. Administered per Policy 6.

Credit and debits in each landowner account will be accounted for on a monthly basis by the GSA.

2.3 Allowable Limits

The sum of groundwater credit allocations added to each landowner account shall be considered the Allowable Limit of groundwater use for each landowner account. Consumption will be measured and debited from each landowner account monthly, per Policy 1. Any exceedance of the Allowable Limit shall be considered a violation, subject to enforcement under Policy 6.

2.4 Accounting

Water Consumption, based on the ET calculations will first be reduced by previous month overapplication credit and surface water deliveries, then groundwater consumption will be accounted for in the following sequencing:

- i. Precipitation Yield credits will be reduced first, then,
- ii. Sustainable Yield credits, then,
- iii. Landowner developed groundwater credits**
- iv. , then, Transitional groundwater credits**

**The sequencing of the Transitional groundwater credits and Landowner developed groundwater credits can be switched at the

landowner's discretion.

2.4.2 Determination of Exceedance Consumption - If Groundwater Consumption uses all of the available credits available in a landowner account listed above (Allowable Limits), any remaining consumption will be accounted for as Exceedance Consumption and administered via Policy 6.

2.5 Water Transfers:

Landowners may transfer groundwater water credits through either a direct sale or lease. The process for transferring groundwater credits is as follows:

2.5.1 Transfers within the GSA;

- a) Groundwater credits will be tracked at a land-based level. Transfers of any credits accrued to the land requires the written approval of the landowner to transfer.
- b) Groundwater credits can only be transferred by a landowner that has a positive balance in their groundwater budget. Deficit groundwater credit transferring is not allowed.
- c) For every one acre-foot of groundwater credit a Landowner transfers out of their account, they will pay for and retire one acre-foot of Transitional Groundwater Credit in that year. Transfer within the same ownership are exempt from fee and retirement of Transitional Groundwater Credit requirements.
- d) Groundwater credits **cannot** be transferred into the Friant Kern Canal Land Subsidence Management Zone as it is defined and implemented in the Eastern Tule Groundwater Agency GSP.
- e) A groundwater credit transfer is a one-to-one transfer within the GSA.
- f) All groundwater credit transfers require formal notification (GSA approved transfer template) and approval of the GSA. The GSA will keep an account of all transfers within the GSA Water Accounting Program. The sale or lease terms of the groundwater credits are between landowners and not subject to disclosure.

2.5.2 . Transfers to or from other GSAs;

- General Provisions;
 - a) Groundwater credits will be tracked at a land-based level.
 - b) Groundwater credits can only be transferred by a landowner that has a positive balance in their groundwater budget. Deficit groundwater credit transferring is not allowed.
 - c) For every one acre-foot of groundwater credit a Landowner transfers out of their account, they will pay for and retire one acre-foot of Transitional Groundwater Credit in that year. Transfer within the same ownership to manage their own operations, within a 2 mile radius of the VWD GSA boundaries, are exempt from the fee and retirement of Transitional Groundwater Credit requirements.
 - d) Groundwater credits **cannot** be transferred into the Friant Kern Canal Land Subsidence Management Zone.

- e) Groundwater Credits can only be transferred and used in GSAs within the Tule Subbasin that have similar landowner-based groundwater accounting systems as the VWD GSA. Current GSAs that meet this criteria are the Eastern Tule GSA, and Teapot Dome WD GSA.
- f) Groundwater credits may not be transferred or used outside of the Tule Subbasin.
- g) A groundwater credit transfer is a one-to-one transfer ratio.
- h) The maximum amount of groundwater transfers out of the GSA per year may be limited by the GSA based on technical data related to groundwater elevations and subsidence data. Each transfer will be evaluated to ensure landowner's account maintains a positive balance, without going over the Allowable Limit. Transfers out of the GSA will be processed as they are requested.
- i) The maximum amount of groundwater transfers accepted into the District will be limited to 1 AF per acre and may be limited further by the GSA based on technical data related to groundwater elevations and subsidence data.
- j) Approval of transfers to and from other GSAs are subject to the coordination with other Tule Subbasin GSAs.

2.5.3 Administration and Approval

- a. All groundwater credit transfers require formal notification (GSA approved transfer template) and approval of the GSA. The GSA will keep an account of all transfers within the GSA Water Accounting Program. The sale or lease terms of the groundwater credits are between landowners and not subject to disclosure.
- b. There will be a \$100 fee, per transfer, charged by the GSA for administration and coordination with the other GSAs.
- c. In order to avoid undesirable results and avoid localized impacts, transfers into certain areas may be limited or restricted even further by the GSA.
 - i. The Board of Directors will annually review the hydrographs at each Representative Monitoring Site in the GSA to determine such restrictions for that year.

2.5.4 Implementation of the terms of this entire policy will be reviewed and determined annually by the Board of Directors. The Board of Directors reserves the right to change terms of this policy at any time.

POLICY 3: TRANSITIONAL GROUNDWATER CONSUMPTION

3.0 To assist landowners with the transition to implementation of the Sustainable Groundwater Management Act, groundwater use and extraction above basin-wide sustainable yield will be phased based on periodic reviews of the GSP per the guidelines of SGMA. This will be accomplished by adding Transitional groundwater credit allocation to landowner accounts. Transitional groundwater allocations are allocations of water above the long-term sustainable limits of the GSA without exceeding the Sustainability Objectives as established by the VWD GSP.

3.1 This Policy 3 establishes the rules and regulations for the establishment, accounting and administration of Transitional Allocations.

- a) Transitional water credits will be allocated based on assessed acres and made available annually.
- b) The amount of Transitional water available to be allocated will be determined at the beginning of each year, and will be based on modeled projections, with the goal of ensuring that anticipated use of transitional allocations within the GSA will not result in groundwater levels declining below the Sustainability Objectives (the established Minimum Thresholds and Measurable Objectives) as defined by the VWD GSP.
- c) The VWD GSP includes modeling analysis based on the following assumed levels of transitional water allocation:
 - a. Phase 1 (from 2025 through 2029) Transitional Allocation of 0.75 AF/Acre/year)
 - b. Phase 2 (from 2030 through 2034): Transitional Allocation of 0.50 AF/Acre/year)
 - c. Phase 3 (from 2035 through 2039): Transitional Allocation of 0.25 AF/Acre/Year.

The VWD GSA Board will initially set Transitional Allocations according to the above assumed schedule and will annually review monitoring and updated modeling data. The purpose of the annual review is to determine whether Sustainability Objectives are being met by the above levels of allowable Transitional Allocations, or whether an adjustment to the Transitional Allocation phase down schedule is needed.

3.2 .

Transitional Allocation fees will be determined by the GSA Board of Directors each year. and adjusted annually based on an analysis of SGMA implementation costs, including amounts collected for mitigation and project implementation and FWA settlement obligations. In no event will the Transitional Allocation fee, be less than the amount of the Tier 1 penalty established for such year by the Eastern Tule GSA, provided the ETGSA fee is based on a verifiable and appropriately justified analysis, without the express written approval of Friant Water Authority.

The transitional pumping fee is intended to serve as a disincentive mechanism while also relating to the cost of mitigating the impacts of use of transitional pumping

allocations. In setting the fee, the GSA will consider obligations established by the Settlement Agreement between Eastern Tule GSA and Friant Water Authority related to the mitigation of subsidence impacts to the Friant Kern Canal. Further analysis and additional justifications for the level of the fee may be considered annually by the GSA.

3.3 Landowners may apply Transitional Allocations as credits against Groundwater Consumption, based on the sequencing outlined in Policy 3.

3.4 Transitional water credit allocations stay with the landowner to be used on properties within the GSA and cannot be transferred to other landowners.

3.5 The GSA will set aside revenues from collection of Transitional Pumping and Exceedance Tier fees and dedicate them to the following uses, in order of priority:

- a. To meet any obligations assignable to VWD GSA arising from the Settlement Agreement between Eastern Tule GSA and Friant Water Authority, or any future agreement between VWD and FWA that replaces the ETGSA/FWA settlement agreement, relating to the mitigation of subsidence impacts to the Friant Kern Canal.
- b. To fund VWD's assignable mitigation funding obligation under the Tule Subbasin Basin-Wide Mitigation Program.¹
- c. To fund groundwater enhancement actions of the VWD GSA, including but not limited to:
 - i. Surface water development
 - ii. Additional recharge basin construction
 - iii. Monitoring impacts and effects of groundwater pumping.
 - iv. Other projects that may be identified by the GSA. (examples could include water conservation grants to GSA members, land conservation and set-aside programs, or any other projects the GSA deems appropriate to help meet the sustainability goal).

¹ The mitigation plan can be found at [www.ltrid.org](http://www.ltrid.org/wp-content/uploads/2023/06/ltrid-mitgation-plan-updated-6.29.23.pdf), under SGMA and Groundwater Sustainability Plans (<http://www.ltrid.org/wp-content/uploads/2023/06/ltrid-mitgation-plan-updated-6.29.23.pdf>)

POLICY 4: LANDOWNER SURFACE WATER IMPORTED INTO THE GSA

4.0 District Landowners may participate in water exchanges or transfers outside of the GSA boundary that result in surface water being available for direct use by the landowner. Use of that water by the landowner within the GSA requires the use of Water District infrastructure to divert this surface water to their land.

This surface water that is brought into the GSA by the landowner will be tracked and accounted by the GSA and applied to the landowner's water budget according to the following procedures:

- a) Surface water brought into the GSA and credited to the landowner will be subject to loss/reduction factor as determined by the Water District Board of Directors.
- b) Surface water brought into the GSA will be delivered to the landowner based upon canal capacity. No surface water delivery brought into the GSA will interrupt or interfere with scheduled allocations of the District surface water supplies.
- c) Imported surface water may be used for groundwater recharge subject to the policies of the GSA.

POLICY 5: DISTRICT GROUNDWATER BANKING

5.0 The Water District (District) owns and operates a well field for surface water storage banking purposes. The District both directly delivers surface water to growers as well as banks and stores surface water in the well field in order for the District to supplement surface water deliveries to landowners. The District tracks how much water is both input and extracted from the bank.

POLICY 6: IMPLEMENTATION & ENFORCEMENT OF PLAN ACTIONS

6.0 The Groundwater Sustainability Plan (GSP) establishes the actions, which include the policies, projects, and implementation schedule, to achieve groundwater sustainability, in accordance with the Sustainable Groundwater Management Act (SGMA). GSA Policies 1 through 6 have been adopted and implemented in furtherance of GSP Management Action 5.2.1 as set forth in the Vandalia Water District Groundwater Sustainability Plan.

SGMA provides the GSA with the authority to enforce the adopted Management Actions of a GSP. (See Water Code section 10732(a)(1) – authority to assess penalties for extraction of groundwater in excess of the amount that is authorized under a GSA rule, regulation, ordination or resolution; and Water Code section 10730.6 - authority to collect any delinquent groundwater charges and any applicable penalties and interest on the groundwater charges in the same manner as the GSA may collect delinquent assessments or water charges)

Pursuant to such authorities, the following actions shall be considered violations of the GSA’s established GSP and Policies adopted thereunder, and shall be subject to administrative enforcement penalties and actions specified for each category of violation:

6.1 Failure to Pay GSA Assessments or Groundwater Consumption Fees and Fines

6.1.1 Non-Compliance. Pursuant to Water Code section 10730.6, an owner or operator who knowingly fails to pay a groundwater fee within 30 days of it becoming due shall be liable to the groundwater sustainability agency for interest at the rate of 1 percent per month on the delinquent amount of the groundwater fee and a 10-percent penalty.

6.1.2 Process for collecting unpaid fees and fines. The GSA may collect any unpaid fees and fines by: a) bringing suit in Tulare County Superior Court for the collection of unpaid fees and fines, and seeking attachment against the property of the named defendant, pursuant to the authority of Water Code section 10730.6(c); or b) adding such unpaid fees, fines, penalties, and interest to the charges and assessments payable to the Vandalia Water District, after which remaining unpaid fees, fines, penalties, and interest may be collected in the manner established by Division 13 of the Water for the collection of assessments and charges of California Water Districts.

6.2 Consumption of groundwater beyond the Allowable Limits. The Allowable Limits of groundwater consumption are as set forth in Policies 3 and 4 and shall be accounted for pursuant to Policy 1. Any time the GSA determines that an owner or operator subject to the Groundwater Measurement and Metering provisions of Policy 1 of the VWD GSA has exceeded the Allowable Limits, as established by Policy 3 of the VWD GSA, the exceedance shall be enforced through the following process:

6.2.1 Notice of Non-Compliance. The GSA shall provide written notice of the non-compliance, specifying the quantity of exceedance, and requesting response and plan for correction of non-compliance within 30 days. The notice of non-compliance shall be in writing and shall be deemed delivered when placed in U.S. Mail, certified, to the owner or operators address of record, or if the owner or operator has

consented to receiving notices from the GSA via email, via email to the address provided at the time of providing consent.

6.2.2 Opportunity to Correct Exceedance. An owner or operator who is provided a notice of non-compliance related to exceedance of the Allowable Limits of groundwater consumption shall respond within 30 days of delivery of the notice by either a) disputing the determination of non-compliance and requesting an appeal hearing, in which case the owner or operator shall provide a documentary basis for such dispute, or b) identifying a plan to correct such non-compliance. An exceedance of the allowable groundwater use limits may be corrected by procurement of sufficient credits, through purchase or otherwise, to the account of the owner or operator, provided that any such credits are obtained in a manner that is consistent with the policies of the GSA.

6.2.3 Determination of Failure to Correct Non-Compliance. An owner or operator who responds to a notice of non-compliance by timely disputing the determination of non-compliance shall be provided with an opportunity to present such dispute, and evidence supporting the owner or operator's position, to the Vandalia Water District Board. An administrative hearing to consider the dispute shall be scheduled within 30 days of the response and shall occur whenever possible at a regular meeting of the Board. The Board shall provide notice of its determination within 5 days of the hearing, which notice shall be provided in accordance with section 6.2.4.

6.2.4 Final Notice of Non-compliance - Monetary and Administrative Penalties for Failure to Correct. If an owner or operator fails to respond to or correct the notice of non-compliance issued under 6.2.1, or if the Board sustains the finding of non-compliance in the case of disputed notices, a final notice of non-compliance shall be issued, which shall include the following:

6.2.4.1 Assessment of a penalty of \$500 per acre foot for every acre foot of groundwater determined to have been consumed beyond the allowable limits (Water Code section 10732(a)(1)).

6.2.4.3 Assessment of charges for Exceedance tier groundwater consumption pursuant to the provisions of Policy 4 for each acre-foot determined to have been consumed beyond the allowable limits.

6.2.4.2 Imposition of Exceedance tier consumption, which shall consist of groundwater credits to be subtracted from the owner or operator's account at the rate of 1 acre-foot for every acre-foot of groundwater determined to have been consumed beyond the Allowable Limits.

6.2.4.3 An order to Cease and Desist continued exceedances.

6.2.5 Enforcement. Fines, penalties, and charges imposed pursuant to section 6.2.4 shall be due and payable within 30 days of the issuance of a final notice of noncompliance and, if unpaid, may be collected pursuant to the processes established by Policy 6.2.1. Cease and desist orders issued as part of a final notice of non-compliance may be enforced through civil adjudication processes including by seeking civil mandate orders.