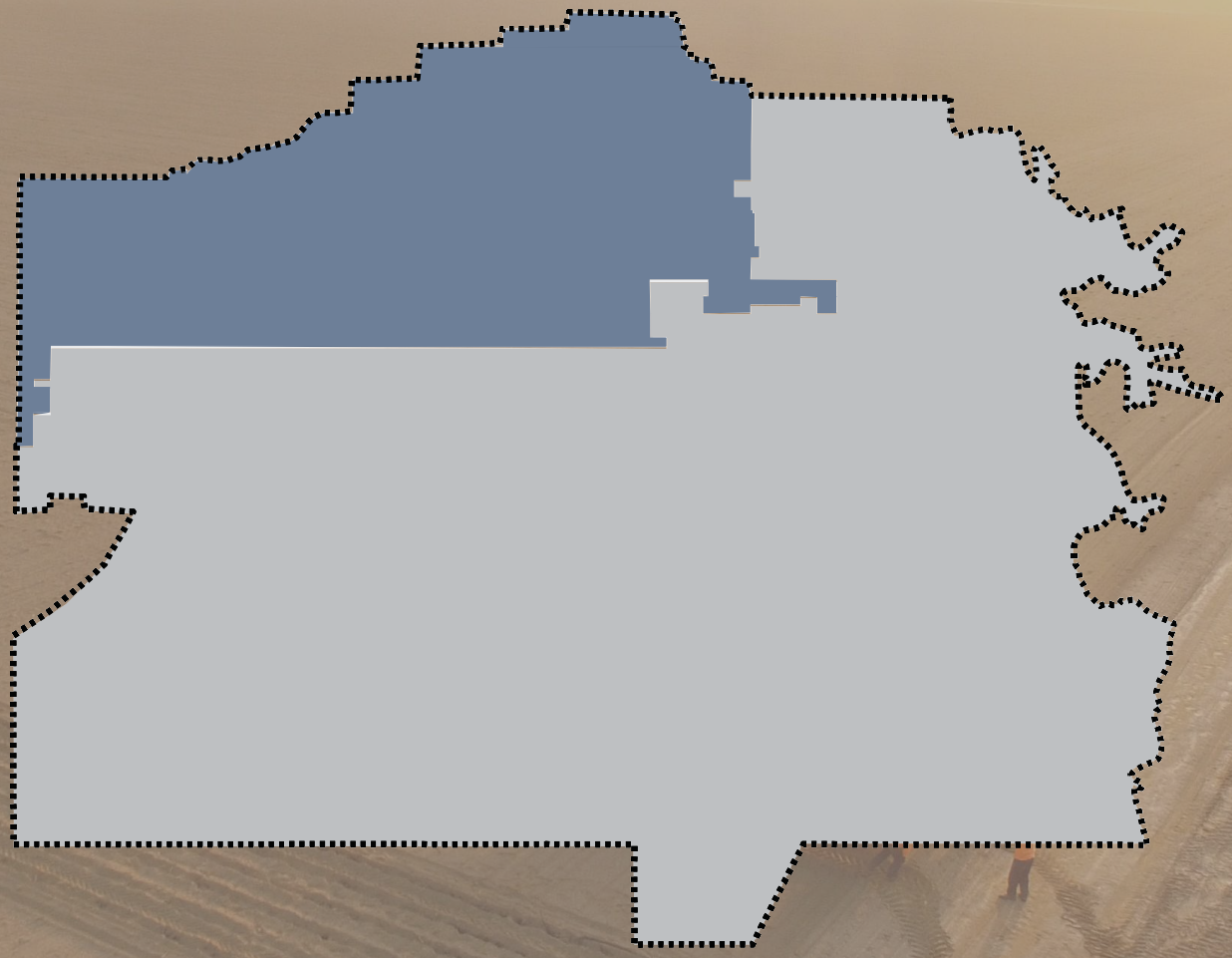
LTRID GSA

Rules and Operation Policies



A Summary of Polices Implemented by the GSA and how they Effect Landowners

February 2020

Groundwater Budget - 2020

2020 Groundwater Budget	AF/AC	Transferable
Precipitation Yield Average from 1991 on. Add each new year as it comes.	0.77	No
Sustainable Yield Natural TR/DC/WR losses and mountain block recharge	0.09	Yes
District Allocated Groundwater Credits Board will allocate each year. 90% of 1996-2019 average recharge.	0.85	Yes
Landowner Developed Credits Will differ by landowner.	0.00	Yes

1.71 AF/AC TOTAL

Water Measurements & Metering

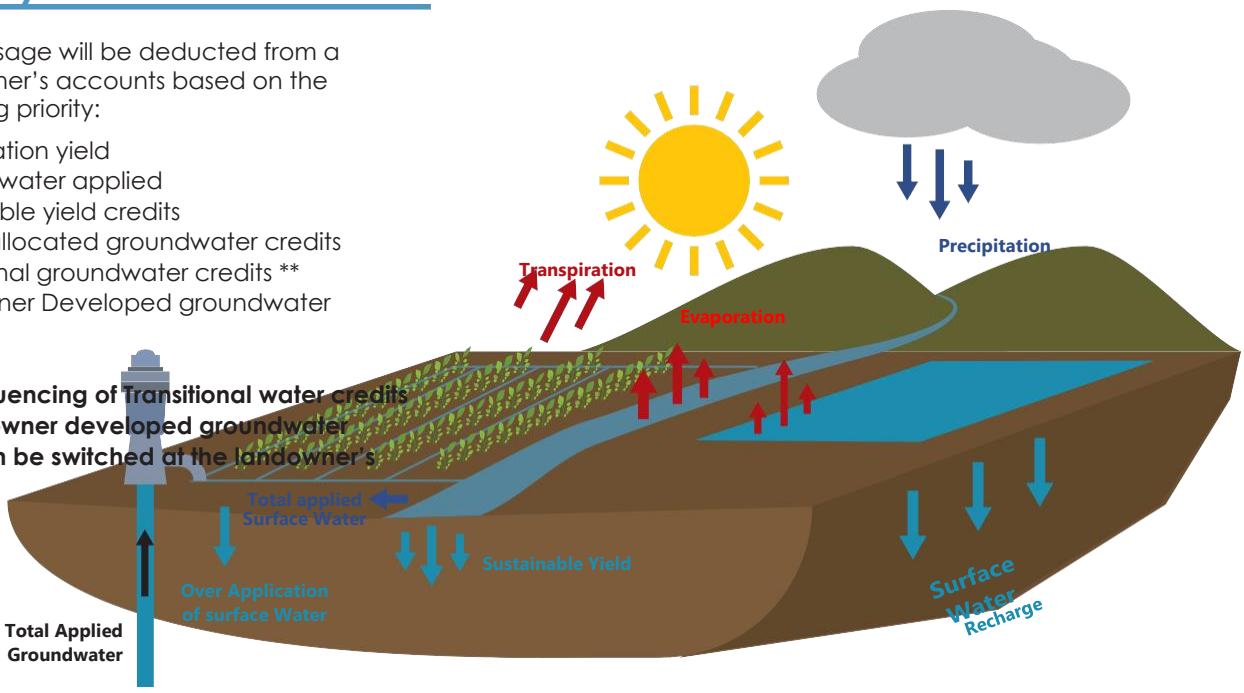
1. Using Satellite imagery to measure Evapotranspiration, the following equation is used to debit groundwater credits from Landowner accounts:
   - Total Crop Demand (Evapotranspiration or ET) — Total Precipitation — Total Applied Surface Water = Net Applied Groundwater

Priority of Water Use

Water usage will be deducted from a landowner's accounts based on the following priority:

1. Precipitation yield
2. Surface water applied
3. Sustainable yield credits
4. District allocated groundwater credits
5. Transitional groundwater credits **
6. Landowner Developed groundwater credits**

**** The sequencing of transitional water credits and Landowner developed groundwater credits can be switched at the landowner's discretion.**



Policies for District Developed Groundwater Credits

District Surface Water Recharge Credits

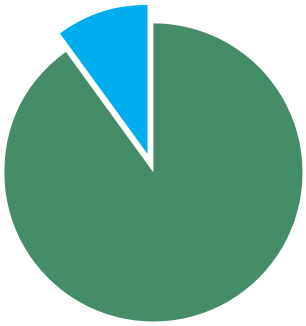
The native and imported surface water diverted for recharge by the District, along with seepage losses in District canals, will be tracked and accounted as groundwater recharge credits belonging to the District.

District recharge credits will not be allocated to the landowners until a determination is made by the GSA Board that minimum threshold amounts identified in the GSP have been met.

The District will allocate recharge credits proportionally to all landowners within the District based on assessed acres.

Policies for Landowner Developed Groundwater Credits

Landowner Groundwater Recharge/Banking Credits



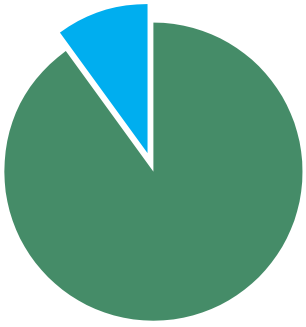
Landowners may purchase surface water from the District or use water available to the landowner through surface water allocations and/or water rights (i.e. Poplar Ditch share water) for banking in basins owned by the landowner. Credits generated from banking are allocated as follows:

- 90% credit of total surface water purchased/diverted allocated to landowner groundwater account; and
- 10% remaining with the GSA for the benefit of all landowners.

All Landowner recharge activities must meet the following conditions:

1. The basin used for banking must be registered with the GSA and meet the minimum requirements set by the GSA.
2. Water diverted for banking will be metered by the GSA using a meter specified by the GSA at a dedicated District turnout.
3. The District has established the following priority order of water service and related canal capacities:
   - Deliveries for irrigation demand
   - District recharge/banking for the benefit of all landowners
   - Landowner recharge/banking

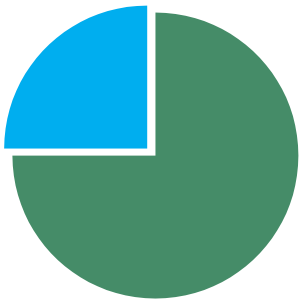
Over-Application of Surface Water



Surface water above irrigation demand (as measured by ET) generates groundwater credits as follows:

- 90% credit of total surface water over-applied allocated to landowner groundwater account; and
- 10% remaining with the GSA for the benefit of all landowners.

Landowner Use of District Owned Recharge Facilities



Landowners can use District owned recharge facilities to generate groundwater credits subject to the following criteria:

- Landowner provides water from available allocation, purchase or water rights
- Use of the recharge facility is subject to available capacity as determined by the District.

Groundwater credits from use of District owned recharge facilities are generated as follows:

- 75% credit allocated to the Landowner groundwater account; and
- 25% credit of surface water surplus allocated to the GSA for the benefit of all landowners.

Water Imported into the GSA

Surface water brought into the GSA by a landowner will be tracked and accounted for by the GSA and applied to the landowner's water account according to the following procedures:

- Surface water brought into the GSA and credited to the landowner will be subject to a loss/reduction factor as determined by the District Board of Directors.
- 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 Districts surface water supplies.
- Imported surface water may be used for groundwater recharge subject to the guidelines of the GSP.

Policies for Transitional Water Credits

Transitional Water Allocations

Groundwater extractions above basin wide sustainable yield will be phased out over the 20-year implementation period, per the guidelines of SGMA, as described in the GSP and consistent with the following criteria:

1. Use will be consistent with the policies established for avoiding the undesirable effects under SGMA;
2. Transitional water credits can be used only on landowner's properties within the GSA and cannot be transferred to other landowners.
3. Transitional water credits will be allocated based on assessed acres and made available in 5-year increments, or 4phases throughout the 20-year implementation period as follows:
    - 2020-2025 (2 af/acre/year)
    - 2026-2030 (1.5 af/acre/year)
    - 2031-2035 (1af/acre/year)
    - 2036-2040 (0.5 af/acre/year)
4. A fee schedule for Transitional water allocations will be set annually by the Board. The fee schedule will consist of two tiers as follows:
    - Tier 1: first half of Transitional water allocated during 5-year block. Initial fee: $90 per acre-foot (not including lift charges) starting in 2021.
    - Tier 2: second half of Transitional water allocation used during the 5-year block. Initial fee: $180 per acre-foot (not including lift charges) starting in 2021. Priced at double the rate for Tier 1 Transitional water allocations.
    - There will be no fee applied during 2020 for the first 2 acre-feet per acre of Transitional credits. Consumption over 2acre-feet per acre, during 2020 will follow the fee schedule above.
    - Water consumption beyond allocated Transitional water limit, will result in fines and reduced allocation in the next allocation period.

Policies for Water Transfers

Water transfers within the GSA

Landowners may transfer groundwater credits through direct sale or lease. The transferring of groundwater credits within the GSA are required to meet the following criteria:

- Written approval from the seller, describing the transferred amount to the buyer or lessee, must be provided to the District for approval in advance of the transfer occurring.
- Groundwater credits can only be transferred by a landowner that has a positive balance in their groundwater account. Deficit groundwater credit transferring is not allowed.
- A groundwater credit transfer is a one to one transfer within the GSA. Transfers outside the GSA will be considered on a case by case basis and in coordination with other Tule Subbasin GSAs.

The GSA will keep an account of all transfers within the GSA Water Accounting Program. The sale or lease terms of groundwater credits is not subject to disclosure.

GSP Overview

Section 1. Introduction

Section 2. Basin Setting

Section 3. Sustainable Management Criteria

1. Outlines Sustainability Goals to avoid six undesirable results

Section 4. Monitoring Networks & Monitoring Plan

Section 5. Projects and Management Actions

1. GSA specific Rules,
2. Projects,
3. Implementation,
4. Enforcement

Section 6. Plan Implementation

1. Schedule, costs, funding, reporting schedule and descriptions

Section 7. References and Technical Studies

Tule Subbasin Overview

1. LTRID GSA: 104,525 ac.

2. Eastern Tule GSA (ETGSA): 161,511 ac.

3.Pixley ID GSA: 69,803 ac.

4.Delano Earlimart GSA (DEID GSA): 64,134 ac.

5.Tri-County GSA: 61,575 ac.

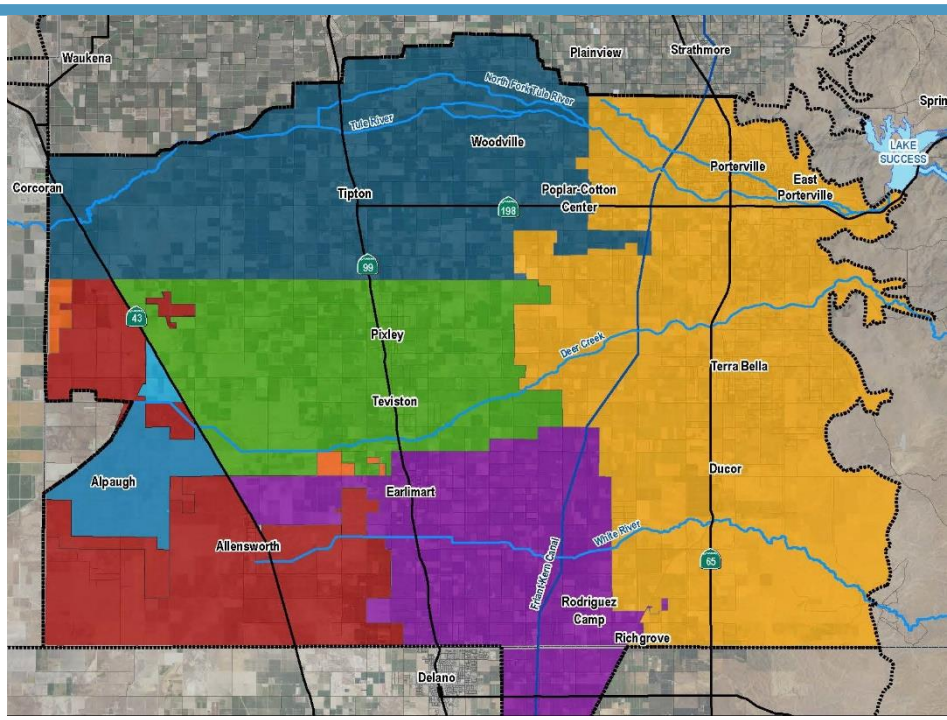
6.Alpaugh GSA: 14,437 ac.

7.Tulare County GSA: 2,408 ac.

TOTAL Area: 477,000 ac.

Multiple GSA's with Multiple GSP's

Plans Must Be Coordinated – Otherwise DWR can place basin in probationary status which could include the State Water Board determining use of surface water rights



Net Sustainable Yield: 0.09 Acre-Feet Per Acre + Total Precipitation available for Crop consumption.

1. Total of "naturally occurring" water in the basin by gross the acreage
2. Amount of groundwater allocated to each gross acre to pump absent separately accounted for return flows from any imported, or surface water rights held

Regular Scheduled Groundwater Planning Commission Meetings held at 2:00 pm on the 4th Tuesday in the first month of every quarter

357 E. Olive Avenue | Tipton, CA 93272 | Phone: 559 686-4716 | FAX: 559 686-0151

ltrid.org/sgma | ltridgsp@ltrid.org