



ARVIN-EDISON WATER STORAGE DISTRICT

February 12, 2021

RE: SUSTAINABLE GROUNDWATER MANAGEMENT ACT UPDATE

Dear Landowner and Water User:

DIRECTORS

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The Sustainable Groundwater Management Act (SGMA)¹ is upon us, which fundamentally requires agencies to balance water supplies and water demands while ultimately maintaining sustainable groundwater conditions by 2040 and beyond. We provide this update regarding Arvin-Edison Water Storage District's (AE) ongoing work to promote development of surface and groundwater supplies while avoiding undesirable results to the groundwater basin. The work reported herein is consistent with that laid out in AE's initial SGMA Groundwater Sustainability Plan (GSP) Chapter for its service area², developed in conjunction with the Kern Groundwater Authority (KGA) Groundwater Sustainability Agency (GSA), and available at <https://aewsd.org/water/sgma/>.

AE has assumed responsibility for compliance with all SGMA-related regulations, including aggregation of necessary data within its service area (i.e., supply/demand information, data collection, advocacy, Landowner/Water User outreach, etc.). Currently, individual Landowners/Water Users are not responsible for direct reporting to the Department of Water Resources (DWR) or other SGMA compliance requirements, except for continued payment of the normal assessment charges, cooperation with property access requests, and response(s) to any specific requests from AE to support filling data gaps, as appropriate. AE's SGMA costs to-date (over \$3.0 million since 2014) have been covered by AE's General Fund and allocated

within AE's general rate setting process. However, a forthcoming Proposition 218 election to increase assessments above the current rate of \$114.57 per acre will be necessary to continue this practice to comply with our GSP. (AE GSP Chapter, Section 19.2.2).

The final GSP was submitted to DWR by the January 31, 2020 deadline and DWR has two (2) years to complete its review. In April 2020, the KGA GSA also successfully submitted the first Annual Report required under SGMA. For various reasons, in October 2019, the AE Board elected to become its own GSA (similar to other water districts within the KGA). AE's GSA boundary request was approved by KGA and the final approval from DWR for AE's GSA formation is awaiting finalization of formal adjustment of boundaries throughout the Kern County subbasin.

AE's GSP Chapter prioritizes the construction of new **Projects** to bolster available supplies and investigates new water management **Programs** *before* implementing groundwater **Management Actions**, as described below.

Projects/Programs in AE's GSP Chapter are focused on fully utilizing AE's federal water supplies both within and outside of AE. The Projects/Programs currently include but are not limited to: (1) development of additional recharge sites, which increases supply but also decreases demand; (2) expansion of in-lieu

¹ As a brief reminder, SGMA requires GSAs to identify the "significant and unreasonable" conditions occurring throughout the basin related to six (6) sustainability indicators that constitute "undesirable results" and to define a sustainability goal, to be achieved by 2040, that avoids those undesirable results. The six (6) sustainability indicators are lowering of water levels, reduction of groundwater storage, land subsidence, water quality degradation, surface water depletion and seawater intrusion (although surface water depletion and sea water intrusion are not of concern in our area).

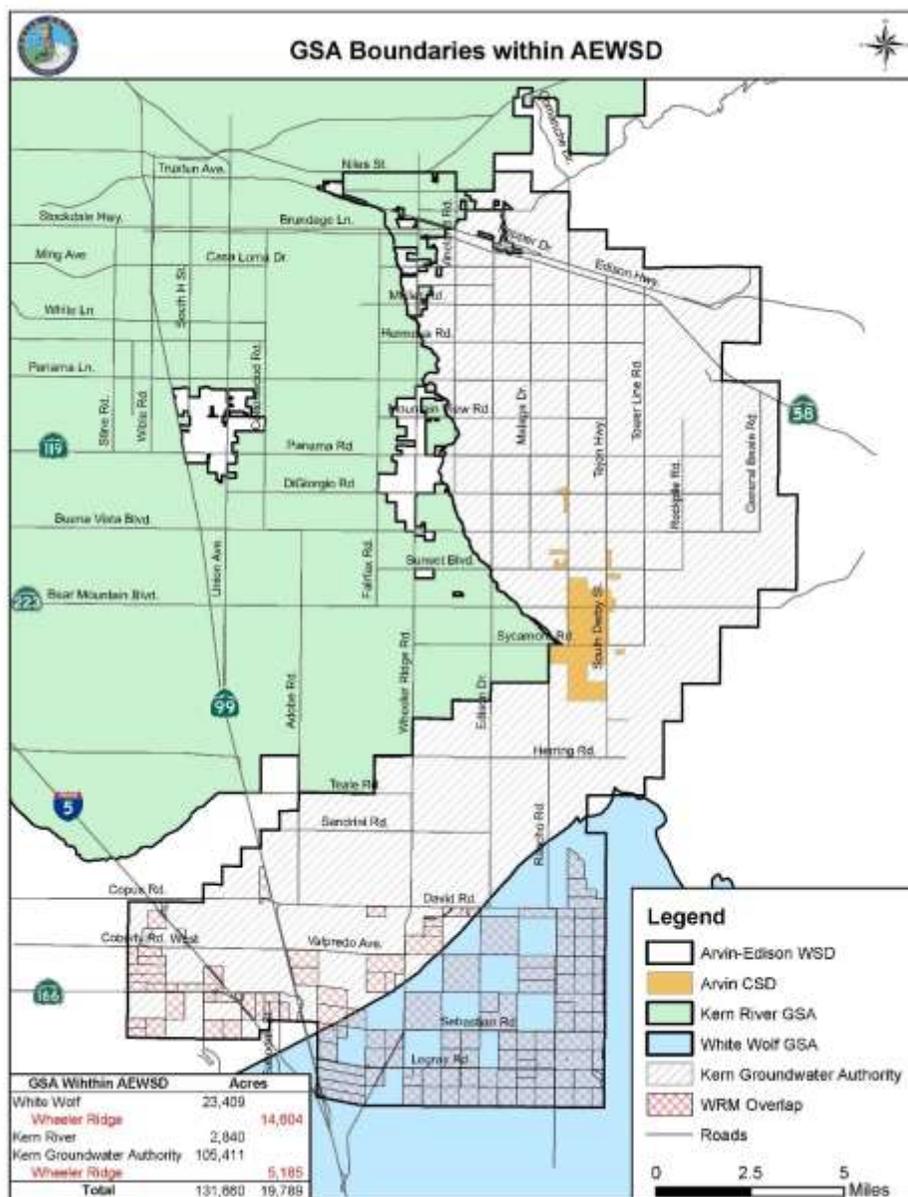
² AE's lands are covered by multiple GSAs (see inset map on next page). This letter provides an update on the largest portion of land that is located within the Kern Subbasin. In addition, some AE lands are covered by Kern River GSA through the East Niles CSD membership of which AE and East Niles CSD executed a Memorandum of Understanding in October 2020 regarding such overlap lands that split agricultural and urban duties, respectively. Furthermore, additional AE lands are located in the White Wolf Subbasin and covered by the White Wolf GSA, which is a joint powers authority with AE, Wheeler Ridge Maricopa Water Storage District, Tejon-Castac Water District and County of Kern as the members. The White Wolf GSP is due to DWR in January 31, 2022 and many of the same themes will be followed.

deliveries that reduce groundwater extractions during wet periods by providing surface water deliveries; and (3) identification and potential implementation of transfer and exchange opportunities with others that take advantage of wet period water supplies. (AE GSP Chapter, Section 18.1.2).

In January 2019, in partnership with neighboring Kern Delta Water District, AE jointly purchased 150 acres that was previously a vineyard. The Districts have nearly completed design plans to develop the property into recharge basins that are expected to be operational in the summer/fall of 2021. The property is located near the adjoining district boundaries where groundwater levels have consistently declined over time. During the wet 2019 period, AE was able to expand its water management partners and completed transfers of surplus supplies to additional agencies.

During 2020, AE submitted three grant applications (which are still pending) that propose expanding AE's distribution system with gravity pipelines into several groundwater service areas for temporary water service contracts. In addition, AE is in the process of completing programmatic environmental documentation for such gravity pipelines in an effort to advance pipeline alignments and also achieve higher grant application scores. The monitoring networks (water levels, water quality, subsidence) are complete and bi-annual surveys are being completed to track the groundwater level and quality as well as the canal distribution system.

Management Actions are included in the GSP that, when implemented, will provide AE the ability to manage and reduce demands, potentially through placing restrictions on overall water use or groundwater use, a process that would require an allocation methodology across both groundwater and surface water users. However, there remains significant data gaps across the basin and a multitude of questions about how any GSP-mandated water use reductions might work in light of current and future uncertainties surrounding climate change, hydrologic time periods, and refinement of basin-wide modeling. In addition to resolving these data gaps, AE has committed that any actions that relate to establishment of groundwater pumping allocations will be conducted through a robust stakeholder engagement process. (AE GSP Chapter, Section 18.1.4). It should be noted that several agencies from the northern portion of Kern County, Tulare County, and Madera County have created groundwater budgets for landowners and accompanying allocation methodologies with extraction fees. Other management actions underway by AE include:



reviewing and commenting on Kern County well permit applications within or near AE regarding the proposed well depths relative to the GSP's measurable objectives and minimum thresholds and, in accordance with the AE GSP Chapter, beginning to draft a potential well mitigation policy that could assist individuals with lowering of pump bowls and/or replacement of groundwater wells if thresholds are exceeded due to SGMA activities/water management (AE GSP Chapter, Section 18.1.6).

As previously mentioned, AE continues to prioritize the development of Projects/Programs over Management Actions and a ranking of the outlined Projects and Programs has been initiated. In 2019, the AE Board of Directors instituted an On-Farm Recharge Program, which resulted in nearly 4,500 acre-feet of additional water into the service area. The continued development and expansion of the On-Farm Recharge Program, including potential policies involving on-farm banking opportunities that capture surface water, when available, will be paramount and a key component to AE's SGMA success. AE is investigating opportunities to fully utilize its 311,675 acre-feet Class 2 contract supplies that, at times when available, isn't maximized. Increasing the import of surface water supplies will assist with water levels, water quality, storage, and subsidence.

AE continues to actively participate in basin-wide coordination efforts, such as development of the SGMA-mandated data management systems that will assist in reporting and also provide agencies, as well as individual Landowners/Water Users, the tools to monitor basin activities and groundwater conditions.

AE's additional SGMA state-wide efforts include, but are not limited to, engagement in San Joaquin Valley efforts to understand the overdraft problem (nearly 2 million acre-feet per year) with estimated potential economic impacts that extend beyond the farming world (land fallowing alone results in \$7.2 billion in lost farm income and 85,000 jobs) and development of potential solutions (e.g., capture surplus Delta supplies coupled with new conveyance facilities to areas of need). For more information on these efforts please go to <https://www.waterblueprintca.com>. In addition, AE has engaged in lawsuits to challenge actions that threaten our water supplies, including intervention in the state litigation against federal Biological Opinions, as well as tracking the "Voluntary Agreements" that would take additional surface water supplies from northern tributaries (currently used for irrigation) and commit such supplies to the Delta (where they would be lost to the Pacific Ocean rather than being captured for irrigation/recharge).

In summary the following highlights AE efforts to date:

- GSP and 1st Annual Update submitted to DWR by mandated deadlines
- Projects (purchase of 150 acres and developing for recharge; grants applications for new pipelines)
- Programs (On-Farm Recharge net an additional 4,500 acre-feet; new water management partners)
- Management Actions (commenting on new Kern County well permits; initiated mitigation policy)
- Monitoring Networks (water levels, water quality, subsidence) completed and gathering data
- Understand potential SGMA impacts and protect existing water supplies
- Proposition 218 Election (potential increase in acreage assessment) forthcoming in Spring 2021

We will continue to inform you of AE's efforts to implement SGMA and work to further our mission to ensure sustainable, affordable, and high-quality water supplies for farmers and landowners within AE. Thank you, and please call with questions, comments, or concerns.

Sincerely,



Edwin Camp
Board President



Jeevan Muhar, P.E.
Engineer-Manager

cc: Board of Directors
Scott Kuney, General Counsel
John Bezdek, Special Counsel
Anona Dutton, EK1
All Employees

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