

Policy of the Lower Tule River and Pixley Irrigation District Groundwater Sustainability Agencies

Land Fallowing and Retirement of Groundwater Credits Policy

The Groundwater Sustainability Plan and associated Rules and Operating Policies adopted by the Board of Directors establish actions, projects, and an implementation schedule to meet the sustainability goal in accordance with the Sustainable Groundwater Management Act (SGMA).

To effectively achieve groundwater sustainability within the GSA and the Tule Subbasin, while maintaining the agriculture operations in the subbasin, each landowner within the GSA will be allocated groundwater credits and accounted for by the GSA. These groundwater credits are placed in an individual water bank account for each landowner, allowing each landowner to decide how to manage their farm operations feasibly and economically within the rules established by the GSA and the Tule Subbasin.

The GSA wants to develop policies that incentivize and provide landowners with the flexibility to implement management practices to become sustainable such as land fallowing or the retirement of groundwater credits

Land Fallowing

- 1) Lands that qualify as fallowed lands under this policy:
 - i) Non-Farmed facilities
 - (1) Dairy/livestock facilities
 - (2) Equipment yards
 - (3) House/shop, non-farmed lots
 - (4) Solar fields
 - (5) Other lands and facilities similar to those described above
 - ii) Voluntarily Fallowed Lands.

- 2) The amount of ET_c charged to Fallowed Lands with Dairy/Livestock Facilities, Equipment yards, House/shop, non-farmed lots will be 0.5 Af/acre per year to cover evaporation. This amount was determined based on a study of ET_c on non-farmed lands during 2019 and 2020. The amount will continue to be studied and evaluated on an annual basis.

Policy of the Lower Tule River and Pixley Irrigation District Groundwater Sustainability Agencies

3) Voluntarily Fallowed Lands. In order to qualify as a voluntarily fallowed land, the landowner must comply with the following:

(1) Must sign up with the GSA to leave land fallow. Options for fallowing:

- i. Entire growing season; October 1 – September 30.
- ii. Summer fallowing; June 1 – September 30

(2) If the winter and spring turn wet, the GSA may give the landowner the option to withdraw participation in the voluntary land fallowing program for that year.

(3) The amount of ETc charged to Voluntarily Fallowed Lands will be 0 Af/acre for the time period in which the land is voluntarily fallowed.

(4) The property must be actively managed to avoid weeds growing out of control and using groundwater to thrive.

(i) Examples:

1. Keep disced/sprayed and free of weeds
2. Plant a cover crop
3. Cover crops must be kept mowed or grazed
4. Cover crops cannot be harvested
5. Leave winter crop stubble
6. Other management practices as deemed appropriate by the GSA

4) To further incentivize landowners to fallow land, especially in dry years, the GSA may make payments to landowners to voluntarily fallow land.

Implementation of the incentive pay, as well as amounts paid, will be reviewed annually by the Groundwater Planning Commission and the Board of Directors, and approved for implementation by the Board of Directors.

(A) Pay for fallowing acres (2 options to be implemented at Board's discretion):

- (a) Land must be fallowed and Transitional water sold.

Policy of the Lower Tule River and Pixley Irrigation District Groundwater Sustainability Agencies

- (i) Enrolled acres must be fallowed for entire year (October 1 – September 30)
 - (ii) Cover crops are allowed. Cover Crops can be harvested. No groundwater use for growing cover crops. ET use by cover crop gets accounted for.
 - (iii) Sell that year's Transitional water on the fallowed acres. Ground must have been farmed the previous year. Multi-year agreements allowed. Landowner must submit a bid for dollars per acre-foot they would be willing to sell the transitional water for. The GSA will review and select bids based on available funds.
- (b) Land fallowed, District leases land for recharge.
- (i) Enrolled Acres to be leased to District for a specified time period – Annual or multi-year.
 - (ii) District will have access to the property for District recharge purposes. District must give 15 day notice that it will be recharging on the property. Landowner provides irrigator/water management.
 - (iii) Cover crops are allowed. Cover Crops can be harvested. No groundwater use for growing cover crops. ET use by cover crop gets accounted for. If crop is lost due to District flooding of property, ET use will not be accounted for.
 - (iv) No groundwater allocations given up.
 - (v) Lease payment: Landowners must submit a bid for dollars per acre. The GSA will review and select bids based on available funds.
 - (vi) Lease payment made whether or not the District uses the property.
 - (vii) Payment or credit sharing for amount of water sank (75/25, per current Policy).
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Retirement of Groundwater Credits

- 1) To incentivize less groundwater pumping, the GSA will purchase groundwater credits from landowners to temporarily retire. Use of these credits will be determined by the Board in the future. Transitional credits purchased will be permanently retired.
- 2) Implementation of this action, and amounts reserved for purchases will be established annually by the Board of Directors.
- 3) Allocations that qualify to be sold to the GSA are:
 - a. Sustainable yield
 - b. Landowner Developed Credits
 - c. District Allocated Credits
 - d. Transitional Allocated Credits
- 4) Landowners are required to submit bids with the following information; allocation type, amount of water (AF), and amount per acre-foot (\$\$).
- 5) Landowners may only submit a bid with credits that are currently in their groundwater account
- 6) Fallowing is not required to sell groundwater credits as long as the landowner has enough groundwater credits and surface water allocation to irrigate their crops after the sale of the credits

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