



Groundwater Trading: Small Group Discussion Synthesis

Introduction

From late July to August 2021, the Commission, with facilitation support from Stantec, interviewed 86 people in small group settings to understand the current status of groundwater trading; the bookends that should be placed on groundwater trading to protect communities, the environment, and smaller farmers; and perspectives about the State's role in groundwater trading to safeguard vulnerable water users. The Commission held 13 small group conversations, organized by affiliation: academics, agriculture representatives, associations, community-based organizations and community leaders, federal government representatives and wetland managers, environmental non-governmental organizations, northern Groundwater Sustainability Agencies (GSAs), San Joaquin Valley GSAs and representatives, Central Coast GSAs, tribal members, and economists. Participants were asked the following questions:

1. What is happening with groundwater trading currently? What parties are engaged with this work? What parties need to be engaged in this work?
2. At what scale should groundwater trading occur? Within districts? GSAs?
3. What are the biggest opportunities surrounding groundwater trading? What are the barriers?
4. What are the most pressing considerations related to ecosystems, farms, and communities? Are there other potential impacts of groundwater trading that should be considered (other than ecosystems, farms, and communities)?
5. How do you feel about groundwater trading? (If applicable) Do you see trading as a viable management strategy for your community/district/GSA/basin? Why or why not? Are you ready to participate in trading? Why or why not?
6. What needs to be in place for groundwater trading to proceed? Conditions? Processes? Information? Resources?
7. What role should the state play in creating flexibility for groundwater sustainability agencies to trade water within basins and in enabling groundwater trading programs? How can the state ensure that programs are well-designed with appropriate safeguards?
8. What are the questions that we should pose at workshops and at other meetings? What other meetings should we be attending? Who should we be inviting to the workshops?

This effort is part of the Commission's work to frame State considerations around how GSAs might shape well-managed groundwater trading programs. The Commission is holding public conversations via public workshops and at regularly scheduled Commission meetings to solicit input about developing well-managed groundwater trading programs that ensure protections for vulnerable users and stakeholders.

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By facilitating a robust and inclusive public discussion on groundwater trading, the Commission will support Water Resilience Portfolio Action 3.6. The Commission will develop a white paper that draws on public discussions and will include a set of conclusions and suggested next steps for how to shape well-managed groundwater trading programs with appropriate safeguards for communities, farms, and the environment. This paper will inform Action 3.6 implementing agencies.

At this meeting, the Commission will hear a synthesis of the information received during its small group discussions.

Background

On July 28, 2020, the California Natural Resources Agency, California Environmental Protection Agency, and the California Department of Food and Agriculture issued the final [Water Resilience Portfolio](#) (portfolio) in response to Governor Newsom's Executive Order N-10-19, which calls for a "set of actions to meet California water needs through the 21st century." The portfolio outlines a broad suite of actions designed to move the state toward water resilience. The portfolio includes Action 3.6: Create flexibility for groundwater sustainability agencies to trade water within basins by enabling and incentivizing transactional approaches, including groundwater markets, with rules that safeguard natural resources, small- and medium-size farms, and water supply and quality for disadvantaged communities. Action 3.6 is assigned to the Department of Water Resources, the State Water Resources Control Board, and the California Department of Fish and Wildlife and embedded in a section of the portfolio that is focused on maintaining and diversifying water supplies, which includes actions designed to help regions secure groundwater supplies by supporting the transition to sustainable use. In a letter dated March 15, 2021, the Secretaries for Natural Resources, Environmental Protection, and Food and Agriculture, requested that the Commission initiate the action by leading a thorough and inclusive public dialog, similar to the Commission's recent effort to assess a state role in financing climate-resilient conveyance.

The Commission's work on water trading will implement Goal One of the Strategic Plan, which calls on the Commission to "serve as a primary public forum for the discussion of improving water management policy to assist regions in achieving climate resiliency ... including those actions of the Water Resilience Portfolio assigned to the Commission."

Meeting Overview

At this meeting, Lisa Beutler, Executive Facilitator for Stantec, will present the themes, trends, cautions, and suggestions offered by the participants in small group discussions. She will share the diverse range of opinions offered on the type and level of State involvement.

This is an informational item.

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