

Water Storage Investment Program Quarterly Report

The quarterly reporting covered by this template documents an applicant's progress toward complying with [California Code of Regulations, title 23, section 6013\(d\)](#) in preparation for a final WSIP funding hearing with the Commission. This report also documents any changes to the physical quantity and type of public benefit being provided by the project. Commission staff relies on this report to keep the Commission informed of the project's progress, challenges and timeline. It is expected that each Applicant will be forthright and transparent in its reporting.

Applicants must provide an update of the project status for the requirements and milestones listed below. Applicants may deviate from this fill-in format, however, please provide the information requested in this template. Applicants must ensure this report is consistent with other publicly available project information, such as materials presented to the Applicant's governing body.

Project Information

Project name:

Kern Fan Groundwater Storage Project (Kern Fan Project)

Applicant name:

Groundwater Banking Joint Powers Authority (GBJPA)

Date:

January 30, 2026

Reporting period:

October 1, 2025 through December 31, 2025

Provide a brief project description:

The Kern Fan Groundwater Storage Project (Kern Fan Project) is a proposed regional water bank with a storage capacity of 100,000 acre-feet located in the Kern Sub-Unit of the San Joaquin Valley Groundwater Basin in Kern County, California. The Project would be constructed and owned by the Groundwater Banking Joint Powers Authority (GBJPA). The GBJPA is comprised of members Irvine Ranch Water District (IRWD) and Rosedale-Rio Bravo Water Storage District (Rosedale). The Kern Fan Project would capture, recharge and store wet-year surface water that would otherwise be lost to the ocean for water use as needed.

The Proposed project includes the construction of new recharge, recovery and conveyance facilities and will also utilize existing water bank facilities to maximize recharge during periods when Article 21 water is available. The Project includes construction of new recharge basins, up to 12 recovery wells, a modified turnout off the California Aqueduct, new conveyance canal and associated pipelines. The new conveyance canal, referred to as the Joint Use Canal, will be constructed to deliver up to 375 cubic feet per second (cfs) of

water. The Joint Use Canal will convey surface water to and from approximately 1,639 acres of land, which will consist of 991 acres of existing recharge basins owned by the Project sponsors and approximately 648 acres of new recharge basins.

- Phase 1: 350 acres of newly constructed recharge basins
- Phase 2: 991 acres of existing recharge basins
- Phase 2: 300 acres of new recharge basins that will be constructed

The 991 acres of existing recharge basins are underutilized and unable to recharge water during periods when Article 21 is available due to capacity limitations on existing regional conveyance.

Project storage capacity will be split between three storage accounts for Public and Non-Public Benefits. 25,000 AF will be allocated to an Ecosystem account, 37,500 AF to an IRWD account and the remaining 37,500 AF to a Rosedale account. IRWD and Rosedale have access to additional groundwater storage through Rosedale's existing Conjunctive Use Program. During periods when Article 21 water is available, but Project storage is full, IRWD and Rosedale have the ability to move their banked water to other storage accounts under the Conjunctive Use Program. The Project would be operated to store Article 21 water during wet years for the administration of Public and Non-Public Benefits. When Article 21 is not available, Project facilities would be used to recharge other sources of water including Section 215 water. During dry years, the stored water would be recovered for use.

Provide a brief description of public benefits:

Ecosystem Benefit- Fish Species Recovery: Approximately 25% of the Article 21 water stored by the Project would be dedicated for ecosystem benefits. The water would be used by DWR in an exchange that would provide short-term pulse flows to generate ecosystem benefits by improving habitat for fish species in the Feather and Sacramento Rivers and San Joaquin-Sacramento Delta.

Ecosystem Benefit- Incidental Wetland Habitat: The Central Valley is a crucial area along the Pacific Flyway for waterfowl. During recharge events, the inundated basins provide temporary habitat for waterfowl, shorebirds, raptors and other migratory birds.

Emergency Response Benefits- Extended Drought and Delta Failure: Groundwater stored as part of the project will be available to call on during a drought emergency or as an alternative supply in the case of a local supply outage. A separate emergency response benefit of the Project is the water supply provided by the Project in event of levee failure in the Delta that curtails water deliveries.

Water Supply Benefits: Water stored in the IRWD and Rosedale storage accounts would provide water supply benefits to IRWD, Rosedale and Dudley Ridge Water District. This water would be used for M&I and Agricultural purposes.

Increased Groundwater Level Benefit: The groundwater basin in Kern County is operated such that a portion of banked groundwater is not recovered by the banking entity and remains in the ground to bolster local groundwater levels. This "leave behind" water will improve water levels and provide a groundwater level benefit.

Agricultural Impact Benefit: An additional agricultural benefit from the Kern Fan Project is the preservation of permanent agricultural crops that would need to be replaced with low-value crops if the water from the Project were not available. The water stored by the Project would allow for preservation of approximately 1,600 acres of permanent crops in Kern County.

Current total project cost:

\$183 million capital cost (2025 dollars)

General Update and Key Issues

Provide a general update and describe any **key issues** that occurred during this reporting period. You may attach additional documents or pages if more space is needed:

As design for Phase 2 of the Kern Fan Project progresses, the GBJPA has evaluated the project components to look for opportunities where project costs can be decreased. During this effort, the GBJPA determined that the Kern Fan Project could be redesigned to maximize use of existing facilities in order to help control overall project costs. The Kern Fan Project will now consist of approximately 1,639 acres of recharge facilities that include 991 acres of existing basins and 648 acres of new basins. The proposed conveyance canal has also been value-engineered, and it has been determined that the conveyance capacity will be 375 CFS. The redesigned Kern Fan Project will construct appurtenant infrastructure that will be managed with operational agreements to make maximum use of existing conveyance, recharge and recovery facilities at IRWD and Rosedale's existing banking projects. With the design changes, the Kern Fan Project meets the criteria to be characterized as a Conjunctive Use Project.

During the current reporting period, the GBJPA met with CWC staff to discuss the project changes and request that the Kern Fan Project be recharacterized as a Conjunctive Use Project. The GBJPA and modeling consultant, MBK Engineers, updated the Kern Fan Project model based on the project changes. The updated model indicates that the redesigned Project can provide similar benefits to the original Project concept. The GBJPA and its economic consultant updated the economic benefits analysis based on the updated water supply results. The GBJPA's estimate of the economic benefits that will be generated by the Kern Fan Project are provided below in 2025 dollars:

Ecosystem Benefit- Fish Species Recovery: \$31.1 million
Ecosystem Benefit- Incidental Wetland Habitat: \$122.3 million
Emergency Response Benefit- Extended Drought: \$18.5 million
Emergency Response Benefit- Delta Failure: \$30.6 million
Water Supply Benefits: \$355.0 million
Increased Groundwater Level Benefit: \$12.1 million
Agricultural Impact Benefit: \$93.8 million
Public Benefits Total: \$202.5 million
Non-Public Benefits Total: \$460.9 million

Total Benefits: \$663.4 million

The total benefits for the Kern Fan Project are estimated to be \$663.4 million in 2025 dollars. Prior to the Final Funding hearing, the GBJPA will work with CWC staff to finalize the monetized benefits.

During the current report period, the GBJPA met with the Kern County Water Agency and Dudley Ridge Water District to discuss how pulse flow exchanges in the Feather River can mutually benefit Kern Fan Project participants and the ecosystem in the Delta. A follow-up meeting with DWR, Dudley Ridge Water District and the Kern County Water Agency is scheduled for the next reporting period.

The GBJPA continued to meet with the Kern County Water Agency to discuss conveyance alternatives for the Kern Fan Project. The workgroup is considering different proposed configurations for Alt5, also referred to as the Joint Works Project. Alt5 includes improvements to the California Aqueduct turnout and Cross Valley Canal that would result in additional conveyance capacity that would be used to serve the Kern Fan Project. Additional work on hydraulic analyses, engineering cost estimates and preliminary engineering details is underway. A Conceptual Design Report is expected to be completed in Spring 2026.

Attach latest project schedule. In addition, describe below how the actual schedule is progressing in comparison to the schedule provided in the last reported schedule:

Attached as Exhibit "A" is the Funding Agreement Milestone Schedule entitled "Project Schedule (CWC Table 1)". The schedule provides the milestones stipulated in the Maximum Conditional Eligibility Determination Letter dated July 27, 2018.

Attached as Exhibit "B" is an updated Kern Fan Project overall schedule, which includes the Commission requirements, as well as planning and project studies, environmental documentation, design, and construction. The schedule has been modified to reflect timing of ongoing discussions regarding the proposed turnout on the California Aqueduct and the Joint Works Project.

During the current reporting period, the DWR and CDFW Draft Contract for the Administration of Public Benefits (CAPB) and CWC Review of CAPB completion dates were adjusted to Spring 2027.

Note any milestones or accomplishments that occurred since submitting the prior Quarterly Report:

During the current reporting period, remaining earthwork for the West Enos recharge facilities was completed. This work included completion of the levee embankment fill near the bore pit, removal of the water supply sump at the existing agricultural well, and completion of ripping and floating in the basin bottoms. The GBJPA construction sub-contractor completed the construction and development for West Enos Well #1 and Stockdale North Well #1. A pilot hole was drilled for Stockdale North Well #2 and the recommended well depth was determined to be 725-feet.

The GBJPA submitted a Letter of Intent to purchase 242 acres of land located just north of water banking facilities owned by Irvine Ranch Water District. The GBJPA expects a purchase and sale agreement to be executed during the next reporting period. If the purchase is successful, Phase 2 recharge and recovery facilities will be constructed on the property.

Provide an update on Tribal consultation, and Tribal and community engagement, if any. Please note any ongoing issues with Tribal communities, including differences of opinion or opportunities to work together:

N/A

Items Required Prior to Scheduling a Final Award Hearing

Provide the date (month/year) that you expect to request a Final Award Hearing from the Commission. Note: the request should be received at least 2 months before the anticipated Final Award Hearing date and after all items required by California Water Code section 79755 are completed:

January 2028

Provide the date (month/year) that you anticipate a Final Award Hearing with the Commission:

March 2028

The following items must be provided prior to scheduling a final award hearing. Please describe the status and include the estimated completion date for the following items. These dates should align with any attached project schedule:

1. Contracts for non-public benefit cost share:

List all required contracts for non-public benefit cost share, and provide the amount of associated funds, the status and estimated completion date. Please note any issues or concerns that have, will, or could affect the timing of executing contracts for non-public benefit cost share.

Contract Name	\$ Amount	Status	Est Completion Date
GBJPA Agreement	\$233.6 million (estimated)	The Groundwater Banking Authority JPA agreement executed in 2020 includes a provision that IRWD and Rosedale will each fund 50% of the non-grant funded project cost. No contracts, other than the executed Joint Powers Authority Agreement between Rosedale and IRWD, are anticipated. A funding commitment letter to the Director of the Department for the non-public benefits was submitted in October 2021. The current estimated project cost is \$353.75 million in 2024 dollars. The Kern Fan Project has been awarded approximately \$120.1 million in grant funding. The GBJPA will fund the remaining cost of the Project.	October 2021

2. Contracts for administration of public benefits (CAPB):

Provide an estimated date when all Draft CAPBs will be complete. The Draft CAPB completion date is when the agreement is ready and available to post for public review at a subsequent Commission meeting:

In August 2023, the GBJPA met with CDFW to discuss development of the CAPB agreement. At that time, CDFW staff recommended that work on the CAPB agreement be deferred until the location of the Aqueduct turnout has been finalized with updated modeling of pulse flows. The GBJPA met again with CDFW in August

2025 to provide an update and will submit updated modeling results to CDFW during the next quarter that will be used to support and move the CAPB agreement discussions forward.

Provide a status for each applicable administering agency's Draft CAPB. Please note any issues or concerns that have, will, or could affect the timing of the Draft CAPBs:

	Status
Draft CAPB	<p>Pending determination of the location of the turnout (anticipated in 2025) and review of updated modeling. In August 2025, the Kern Fan Project proponents met with CDFW to discuss ecosystem benefits provided by the project and next steps for the development of the draft CAPB. The GBJPA worked with its modeling consultant to finalize the updated Kern Fan Project model and will submit the model to CDFW staff during the next reporting period. It is anticipated that CDFW will review the updated modeling during the next reporting period and that a technical meeting will be scheduled. It is anticipated that the work on the Chino Basin project pulse flow CAPB can be leveraged to expedite the process for the Kern Fan Project.</p> <p>The GBJPA also expects to initiate discussion with DWR regarding water supply benefits during the next reporting period.</p>

Provide an estimated date when all Final CAPBs will be complete. The Final CAPB completion date is when it will be executed:

April 1, 2027

Provide a status for each applicable administering agency's Final CAPB. Please note any issues or concerns that have, will, or could affect the timing of executing CAPBs:

	Status
Final CAPB	Discussions with DWR and CDFW will resume during the forthcoming reporting period, based on recently completed updated modeling of the pulse flows from the Kern Fan Project (see Draft CAPB status above).

List all public benefits, including quantity of benefit (e.g., acres of habitat, acre-feet of water for pulse flows, etc.):

Benefits	Description and Quantity of Benefits
Ecosystem Benefit – Fish Species Recovery	Approximately 25% of the Article 21 water stored by the Project would be dedicated for ecosystem benefits. The water would be used by DWR in an exchange that would provide short-term pulse flows to generate ecosystem benefits by improving habitat for fish species in the Feather and Sacramento Rivers and San Joaquin-Sacramento Delta.
Ecosystem Benefit – Incidental Wetland Habitat	The Central Valley is a crucial area along the Pacific Flyway for waterfowl. During recharge events, the inundated basins provide temporary habitat for waterfowl, shorebirds, raptors and other migratory birds.
Emergency Response Benefits –	Groundwater stored as part of the project will be available to call on during a drought emergency or as an alternative supply in the case of a local supply outage. A separate emergency response

Extended Drought and Delta Failure	benefit of the Project is the water supply provided by the Project in event of levee failure in the Delta that curtails water deliveries.
Water Supply Benefits	Water stored in the IRWD and Rosedale storage accounts would be water supply benefits to IRWD, Rosedale and Dudley Ridge Water District. This water would be used for M&I and Agricultural purposes.
Increased Groundwater Level Benefit	The groundwater basin in Kern County is operated such that a portion of banked groundwater is not recovered by the banking entity and remains in the ground to bolster local groundwater levels. This "leave behind" water will improve water levels and provide a groundwater level benefit.
Agricultural Impact Benefit	An additional agricultural benefit from the Kern Fan Project is the preservation of permanent agricultural crops that would need to be replaced with low-value crops if the water from the Project were not available. The water supplies stored by the Project would allow for preservation of approximately 1,600 acres of permanent crops in Kern County.

Indicate if there are any anticipated changes to the benefit or quantity of the benefit since the original application and whether these changes affect the cost allocation:

The Kern Fan Project benefits have been updated based on the design changes to the Project. The GBJPA estimates that the Project will provide \$202.5 million in Public Benefits. The GBJPA will work with CWC staff to finalize the quantification of the benefits prior to the Final Award Hearing.

3. Completed feasibility studies:

Completion Date:

November 22, 2021

4. Complete environmental documentation:

Provide the status and estimated completion date for all required environmental documentation (draft and final) for the project, including all Board resolutions adopting or certifying CEQA environmental documents, CEQA findings, mitigation monitoring and reporting program, Notice of Determination (NOD), and CEQA Addenda, and all NEPA completion documents, including the Record of Decision (ROD). Please note any issues or concerns that have, will, or could affect the timing of providing complete environmental documentation at the state or federal level.

Environmental Document	Status	Est Completion Date
State Document	Draft:	
	Final: Kern Fan Groundwater Storage Project Final EIR	12/20/2020
	NOD: Kern Fan Groundwater Storage Project Final EIR	1/22/2021
	Pulse Flow Component of WSIP Groundwater Projects SEIR	5/20/2024
	Kern Fan Groundwater Storage Project Supplemental EIR (Turnout/Conveyance)	4/1/2027
Federal Document	Draft:	
	Final: Phase 1 No Effect Determination	5/20/2024

	ROD	
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5. All required federal, state, and local approvals, certifications, and agreements:

List permits needed for project to begin construction, describe status in acquiring them, and include estimated date to be acquired. Please note any issues or concerns that have, will, or could affect the timing of acquiring all federal, state, and local approvals, certifications, agreements, and permits necessary to begin project construction.

Approvals / Certifications / Agreements / Permits	Status	Est Date Acquired
Permits	Provided as Exhibit C Timing to obtain all project permits tied to Delta benefits is expected by January 2028, based on revised anticipated schedule for DWR permitting of the new turnout on the California Aqueduct. Therefore final award date is expected March 2028.	
Right of Way and Easements	Provided as Exhibit C	
Agreements	Provided as Exhibit C	

Items Required to Execute a Funding Agreement

Provide an update on the following documents needed to execute a funding agreement for the project and indicate if any significant change has occurred. The Commission may request updated information prior to executing a funding agreement.

	Status	Significant Change?
Applicant's audited financial statements	Audited financial statements are available and will be submitted at prior to the funding agreement hearing.	No
Final project costs, schedule, and scope of work	The most recent Project cost and scope of work is available in the Feasibility Study submitted to the CWC November 2021. Updated Project schedules are provided as Attachments A and B. Final project costs, scope of work, and schedule will be provided to the CWC prior to the funding agreement hearing. The Kern Fan Project capital cost was updated based on the design changes and is estimated to be \$183 million in 2025 dollars. The GBJPA is preparing an update to the operations, maintenance, and replacement costs in the next quarter.	No
Evidence of bilateral communications	n/a	n/a

with operators and owners of potentially impacted facilities regarding potential impacts of the proposed project to their facilities		
Limited waiver of sovereign immunity	n/a	n/a

Status Update

Provide a status update for the following and indicate if any significant change has occurred. The Commission may request updated information prior to executing a funding agreement.

	Status	Significant Change?
Labor Compliance	n/a	n/a
Urban Water Management Plans	IRWD is an urban water supplier and is required to submit an Urban Water Management Plan. IRWD's most recent Urban Water Management Plan was submitted to DWR on June 29, 2021.	No
Agricultural Water Management Plans	Rosedale is an independent special district under the provisions of the California Water Storage District Law and therefore is not required to complete an Agricultural or Urban Water Management Plan.	n/a
Potential effect of other conditional eligible projects on the applicant's public benefits	A Supplemental Environmental Impact Report for proposed pulse flow benefits provided by the Kern Fan Project, Willow Springs Water Bank and Chino Basin Program has been released. A Final SEIR was completed and certified by DWR in July 2024, reported in last quarterly report.	No

Other Pertinent Information:

1. Sources of Funding

List sources of funding (e.g., Federal, State grants, local partnerships, rate payers, loans...) to move the project to construction and provide the associated amount of funds from that source and a status of obtaining that funding source below:

Funding Sources	\$ Amount	Status	Est Award Date
GBJPA	\$233.6 million	Under the GBJPA, both IRWD and Rosedale will fund the Project. IRWD and Rosedale have established funding plans for their share of Project costs. The GBJPA will update its cost share based on updated operations, maintenance, and replacement costs in the	Completed

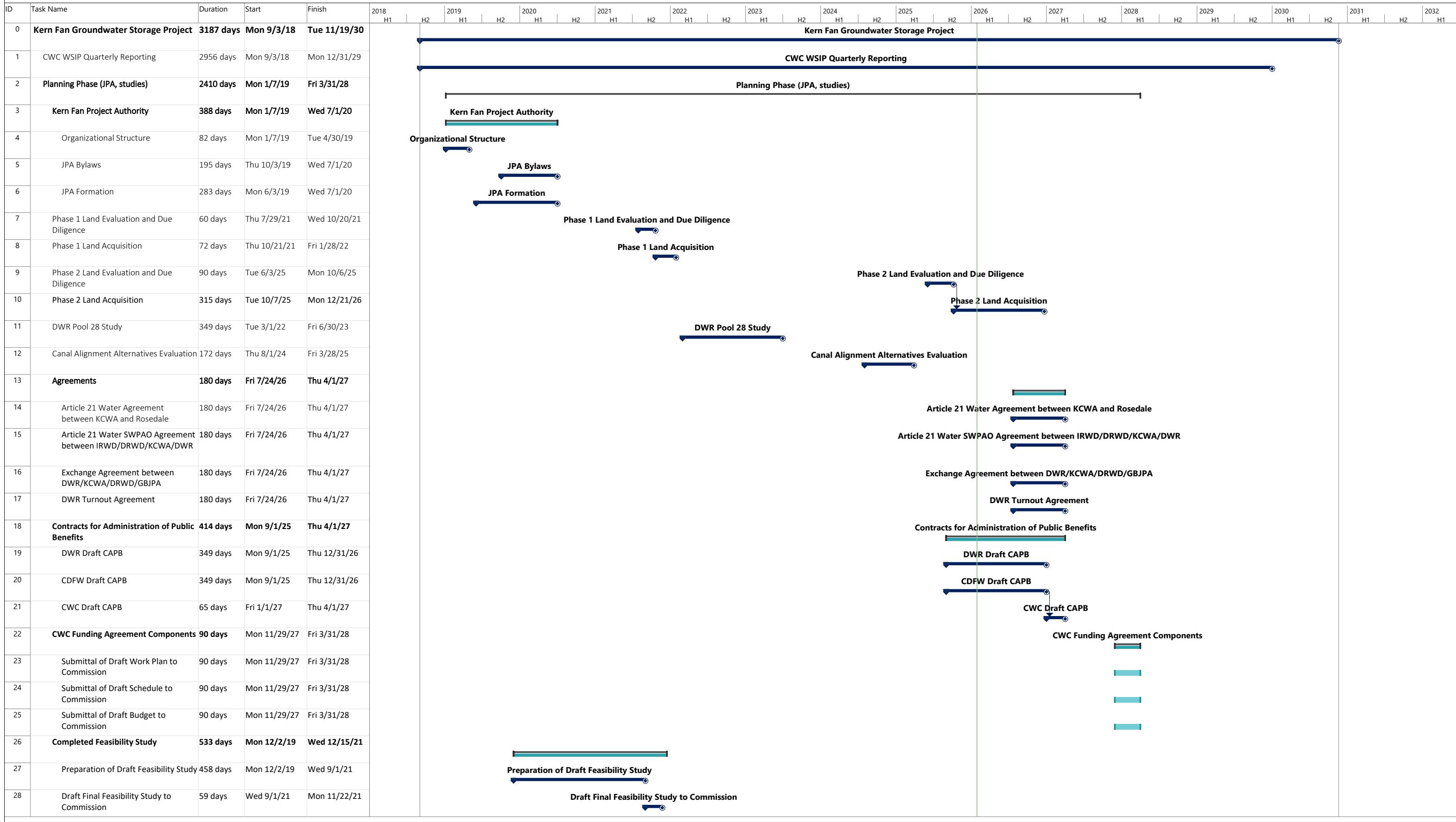
		next quarter.	
State of California	\$111.4 million	The GBJPA expects to have a Funding Agreement with the CWC in early 2028. In August 2025, the California Water Commission voted to provide a \$22.3 million increase in conditional funding for the Kern Fan Project to offset inflationary cost impacts.	Mar-2028
Bureau of Reclamation	\$8.7 million	IRWD has an executed funding agreement with the Bureau of Reclamation for \$8.7 million for work on Phase 1 of the Project.	May-2024

2. Early Funding Agreement Status

Provide the status of the Early Funding Agreement (EFA), as applicable, and the percentage of EFA funds expended. If the EFA has been closed, describe how the remaining work needed to move the project to a final award hearing will be financed.

Status	Percentage of EFA funds expended
The GBJPA prepared an early funding request for consideration by the Commission in the first quarter of 2026.	n/a

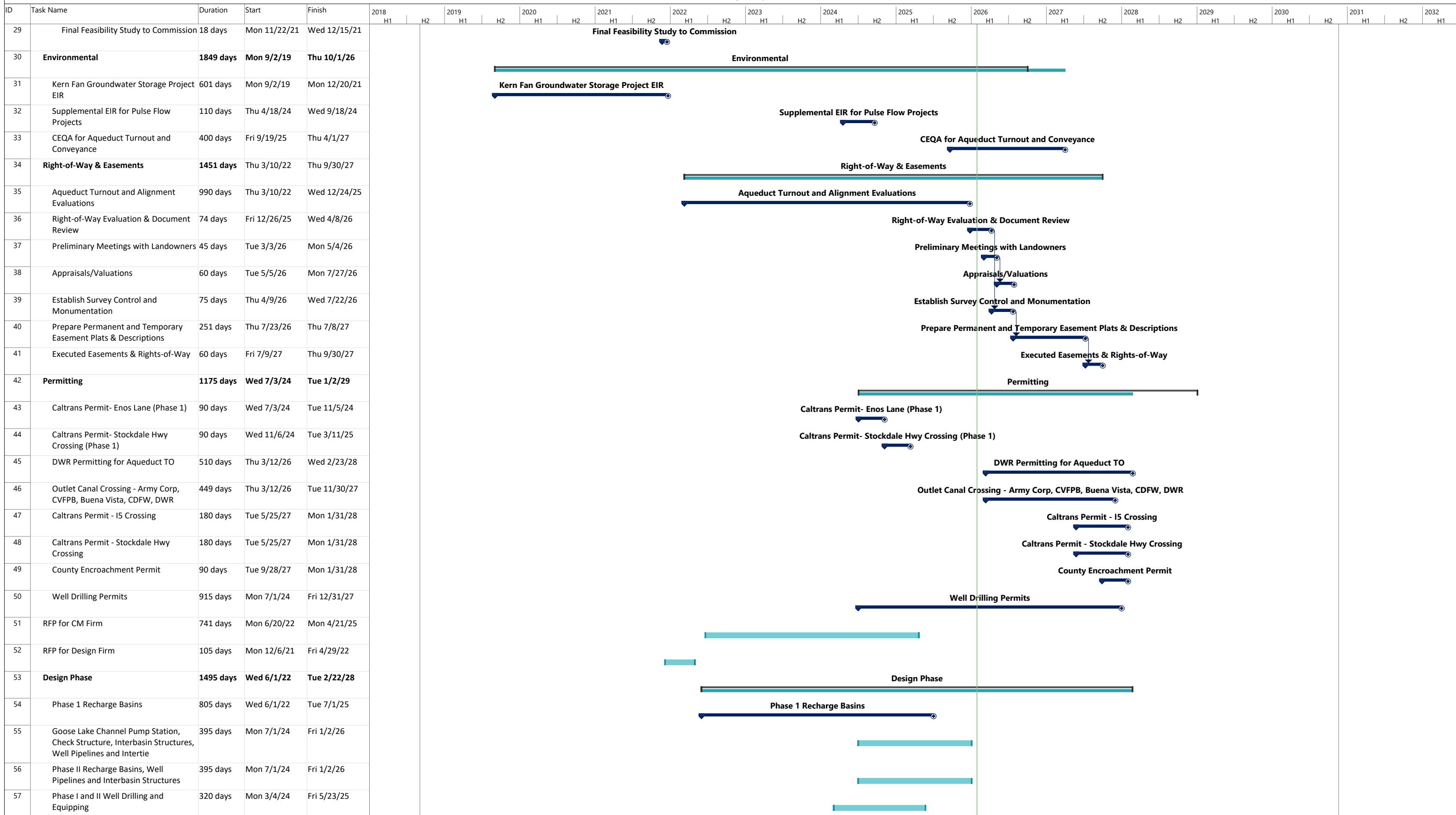
EXHIBIT "B"
Kern Fan Groundwater Storage Project Overall Schedule



Project: Kern Fan Groundwater
Date: Thu 1/29/26

Task Summary Inactive Milestone Duration-only Start-only External Milestone Manual Progress
 Split Project Summary Inactive Summary Manual Summary Rollup Finish-only Deadline Progress
 Milestone Inactive Task Manual Task Manual Summary External Tasks

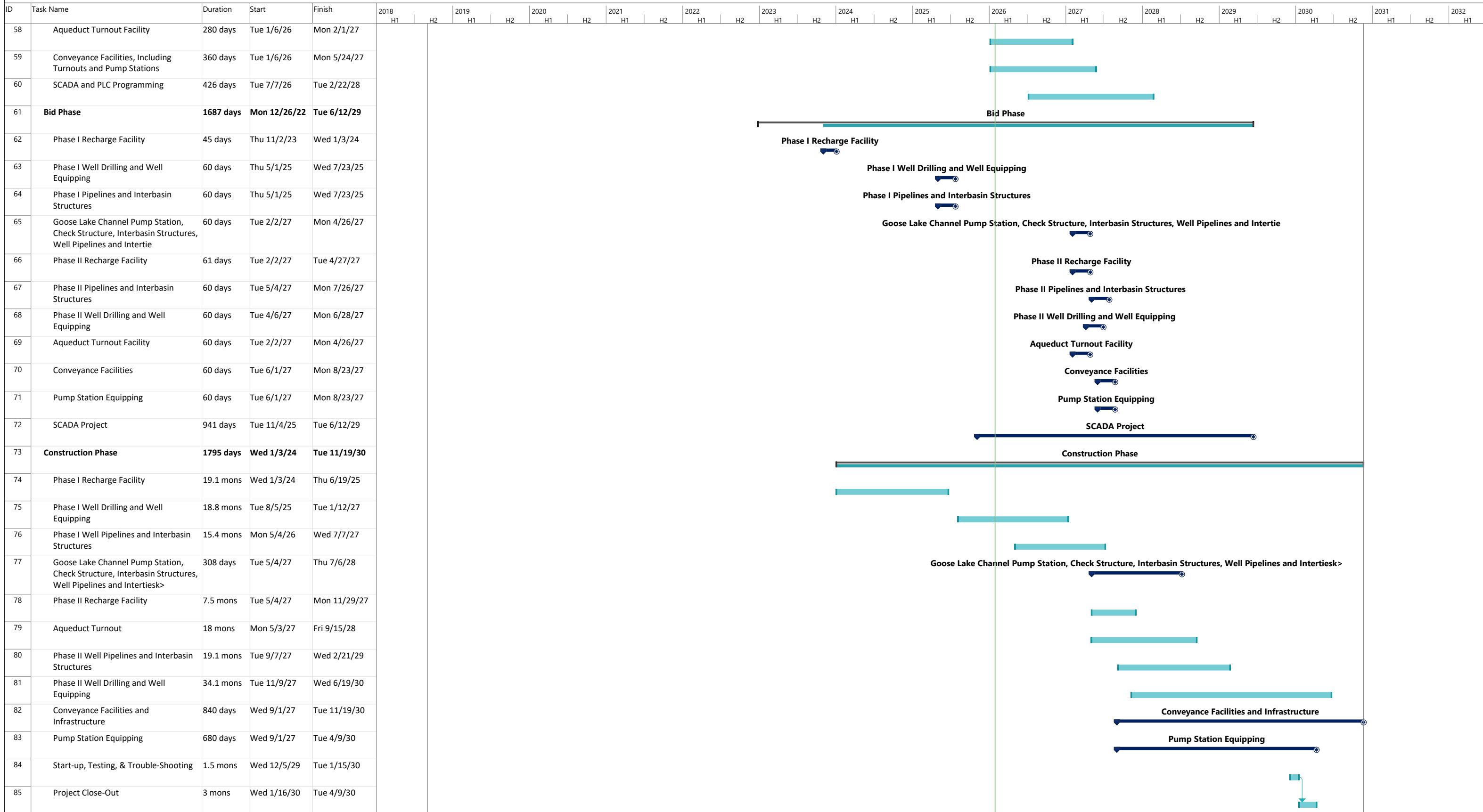
EXHIBIT "B"
Kern Fan Groundwater Storage Project Overall Schedule



Project: Kern Fan Groundwater
Date: Thu 1/29/26

Task Split Milestone Summary Project Summary Inactive Task Manual Task Duration-only Inactive Summary Manual Summary Start-only Finish-only External Tasks External Milestone Deadline Progress Manual Progress

EXHIBIT "B"
Kern Fan Groundwater Storage Project Overall Schedule



Project: Kern Fan Groundwater
Date: Thu 1/29/26

Task
Split
Milestone

Summary
Project Summary
Inactive Task

Inactive Milestone
Duration-only
Inactive Summary
Manual Task

Start-only
Manual Summary Rollup
Manual Task

Finish-only
External Tasks

External Milestone
Deadline
Progress

Manual Progress

Exhibit "C"
All Required Federal, State, and Local Approvals, Certifications, and Agreements

Permits	Start	Complete	Required to Initiate Phase 2/ Deliver Public Benefits to the Delta	Notes
Caltrans Permit - Enos Lane Crossing Phase 1	Jul-24	Nov-24	N/A	Permit Issued
Caltrans Permit - Stockdale Hwy Crossing Phase 1	Jul-24	Nov-24	N/A	Permit Issued
Petition for Instream Flow Dedication (1707)	Oct-24	Oct-25	N/A	As of April 2025 per David Okita, State Board has indicated it will not be required.
Outlet Canal Crossing - Permits and Approvals:	Mar-26	Nov-27	Yes	
<i>Army Corps of Engineers</i>				Section 404
<i>Regional Water Quality Control Board</i>				Section 401
<i>California Dept of Fish and Wildlife</i>				Section 1601 Lake and Streambed Alteration Agreement
<i>DWR Turnout</i>				Encroachment Permit/Right of Entry
<i>State Parks - Tule Elk Preserve</i>				Encroachment Permit - need depends on final alignment of conveyance
<i>Central Valley Flood Protection Board</i>				
Caltrans Permit I-5 Crossing	May-27	Jan-28	Yes	
Caltrans Permit - Stockdale Hwy Crossing	May-27	Jan-28	Yes	
Incidental Take Permit - CDFW	Nov-26	Jul-27	Yes	
County of Kern - Encroachment Permit	Sep-27	Jan-28	Yes	
Kern County Environmental Health Dept - Well Drilling Permits	Jul-24	Jan-28	No	Wells are phased in. Permits can be secured earlier.
Right of Way and Easements	Start	Complete	Required to Initiate Phase 2/Deliver Public Benefits to the Delta	Notes
Executed Right of Way and Easements for Conveyance	Mar-22	Sep-27	Yes	Requirements for easements and right of way will depend on property acquisition locations and final canal alignment
<i>California Dept of Fish and Wildlife</i>				Approval of conveyance easement across Kern Water Bank Habitat Conservation Plan (HCP) area (could be part of ITP approval above)
<i>Kern Water Bank Authority</i>				Conveyance easement across Kern Water Bank property
<i>U.S. Fish and Wildlife</i>				Approval of conveyance easement across HCP area. Possible concurrence with CDFW ITP approval.
<i>Kern County Water Agency</i>				Cross Valley Canal easement and/or crossing. Approval for Aqueduct turnout.
<i>Buena Vista Water Storage District</i>				Outlet canal crossing and main canal crossing
Agreements	Start	Complete	Required to Initiate Phase 2/Deliver Public Benefits to the Delta	Notes
Article 21 Agreement between KCWA and Rosedale	Jul-26	Apr-27	Yes	
Article 21 Agreement between DRWD/IRWD/KCWA/DWR	Jul-26	Apr-27	Yes	Approval of a change in Point of Delivery of a portion of DRWD SWP supplies (consent by Metropolitan Water District of Southern California)
Pulse Flow Exchange Agreement between DWR/KCWA/DRWD/GBJPA	Jul-26	Apr-27	Yes	
DWR/KCWA Turnout Agreement	Jul-26	Apr-27	Yes	
CDFW - Public Benefits Agreement	Sep-25	Apr-27	Yes	