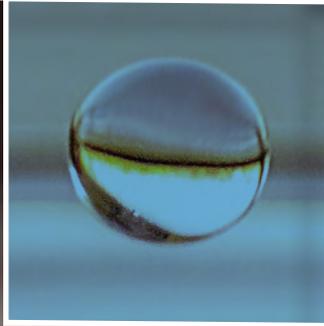


Water Exchange Market Symposium

JANUARY 24, 2019

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Fresno State's California Water Institute

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Message from AVP Thomas Esqueda

Welcome



California is the nation's largest agricultural producer and largest crop exporter, in 2016-17 it generated \$46 billion in revenue (California Department of Agriculture). Of the \$46 billion, \$33 billion was grown in the eight-county San Joaquin Valley.

For the San Joaquin Valley to remain a global leader in crop production, the Valley will require a strong, resilient and healthy water system. A key water resource management challenge for all water stakeholders in the Valley will be compliance with the Sustainable Groundwater Management Act (SGMA). SGMA was designed to address excessive groundwater extractions, which have resulted in "undesirable results" including (a) chronic lowering of groundwater levels, (b) significant and unreasonable reduction of groundwater storage, (c) significant and unreasonable land subsidence, and (d) significant and unreasonable degraded water quality, including the migration of contaminant plumes that adversely impact drinking water supplies. Accordingly, the SGMA's objective is to improve the management of groundwater supplies throughout California by reducing the amount of water extracted from local aquifers to match the aquifer's "sustainable yield", which is defined as the maximum quantity of groundwater that can be withdrawn annually from an aquifer without causing an "undesirable results."

Recognizing that food grows where water flows, the SGMA compliance requirements will essentially serve as a permanent water supply reduction for the San Joaquin Valley, and those water supply reductions are anticipated to result in reductions in annual crop production. It is currently estimated that 500,000 to 1 million acres of productive farmland will have to be removed from production in order to comply with the requirements of SGMA. Based on historic crop production data and recently completed economic impact assessments, the level of water supply reductions associated with SGMA compliance could result in annual farm receipts losses of \$3.2 to \$7.4 billion in the San Joaquin Valley.

To address the potential impacts associated with reduced groundwater supplies for agricultural uses, growers, irrigation districts, and groundwater sustainability agencies (GSAs) are evaluating the potential use of water exchange markets for surface water and groundwater entitlements assigned to individual properties in the Valley. Conceptually, these markets would allow property owners within a defined geographic boundary to transfer and exchange surface water and groundwater with each other to ensure that all available water supply sources are beneficially used to the maximum extent practicable on an annual basis without causing undesirable results. However, there are a number of critically important financial, institutional, and regulatory issues that must be carefully examined prior to adopting water exchange markets as a viable water management strategy in the San Joaquin Valley.

Thank you for being here today as we review and discuss the potential features, benefits, advantages and disadvantages associated with creation of water exchange markets in California in response to SGMA requirements.

Sincerely,

Thomas C. Esqueda,

Associate Vice-President, Fresno State

Executive Director, California Water Institute

AGENDA

8:30 a.m.	Welcome	Thomas Esqueda , Executive Director California Water Institute at Fresno State
8:45 a.m.	Symposium Purpose and Intent	
9:00 a.m.	Water Exchange Markets as a Sustainable Groundwater Management Act (SGMA) Compliance Strategy	
Water Exchange Markets Considerations from:		
9:15 a.m.	a. Eastern Tule Groundwater Sustainability Agency	Bryce McAteer , Executive Director Eastern Tule GSA
10:00 a.m.	BREAK	
10:15 a.m.	b. Environmental Resources	Zach Smith , Former staff attorney Colorado River Water Trust Philip Womble , PhD candidate Stanford University Sandi Matsumoto , Associate Director California Water Program at the Nature Conservancy Moderator: Pablo Garza , California Political Director Environmental Defense Fund Ecosystems Program
11:15 a.m.	c. Rosedale-Rio Bravo Water Storage District	Eric Averett , General Manager RRBWSD
12:00 p.m.	LUNCH	
12:30 p.m.	d. Disadvantaged Communities	Adriana Renteria , Regional Water Management Coordinator Community Water Center Ray Cano , Domestic well owner Tombstone Territory Danielle Roberts , Board President Lanare Community Services District Ralph Gutierrez , Operator Woodville Public Utilities District Moderator: Amanda Monaco , Water Policy Coordinator Leadership Counsel for Justice and Accountability
1:30 p.m.	Water Transaction Demonstration	Tom Rooney , Chief Executive Officer, Waterfind USA
2:00 p.m.	Regulatory Considerations	Erik Ekdahl , Deputy Director, Division of Water Rights State Water Resources Control Board Sam Boland-Brien , SGMA Program Manager State Water Resources Control Board Anna Fock, P.E. , SWP Analysis Office California Department of Water Resources
3:00 p.m.	Closing Comments	Thomas Esqueda , Executive Director California Water Institute at Fresno State
3:30 p.m.	Adjourn	

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