

NOTICE

SPECIAL MEETING OF THE BOARD OF DIRECTORS

Friday, September 30, 2022 at 3:00 P.M.

Exeter Museum (upstairs)
125 S. B Street, Exeter, CA 93221

COVID-19 Protocol – Via Remote Login is available at
Go to: www.Zoom.com and click "Join a Meeting" (top right)
Enter Meeting ID: 886 9921 5106 and then passcode: 037079
Or call: 1-669-900-6833, then enter the Meeting ID and Passcode when prompted
If you have challenges getting on the remote meeting, text your name to 559-303-4150.

AGENDA

1. Roll Call by Secretary
2. Approve the Agenda
3. Pledge of Allegiance
4. Public Comment
5. **Minutes:** The Board will review and consider adopting the minutes provided by the Secretary from the August 30, 2022, Special Board meeting.
6. **Administration**
 - a. **Prop 68: WCB-RCIS** – Update on status and activity (Hagman)
 - b. **Prop 68: Basin Planning Grant** – Update on status and activity: SkyTem, Monitoring Well Data Collection, Well Metering Pilot Project (Hunter/Hagman)
 - c. **Prop 68: Implementation Grant** (MKGSA Admin) – Update (Hunter/Hagman)
 - d. **Project Grant** (GKGSA Admin) – Update (Klinchuch/Hagman)
 - e. **MBLRP Grant:** Kaweah Delta WCD submitted – Update (Klinchuch/Hagman)
7. **Groundwater Sustainability Plan Implementation:**
 - a. Groundwater Allocation Recommendation from the EKGSA Technical Advisory Committee and EKGSA Advisory Committee (Hagman)
 - b. Consider Adoption of Resolution 2022-04: Resolution setting the ET allocation for Allocation Year 2023. (Hagman)
 - c. Rules and Regulations presentation (Hughes/George)



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- d. Consider Adoption of Resolution 2022-05: Establishing Rules and Regulations for the EKGSA Groundwater

8. Closed Session

CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION: [Government Code Section 54956.9 (d)(2)] - Number of Potential Cases: One

CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (Govt. Code, § 54956.8.)

Description of Property: Groundwater Credits

Agency Negotiators: Executive Director

Negotiation Parties: EKGSA and potential sellers

Under Negotiation: Price and terms

- 9. Schedule Next meeting –** Next regularly scheduled meeting is October 24, 2022.

10. Adjournment

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
BOARD OF DIRECTORS**

MINUTES FOR THE SPECIAL MEETING ON AUGUST 30, 2022

The East Kaweah Groundwater Sustainability Agency (“EKGSA”) Board of Directors duly met for a Regular meeting on Monday, August 30, 2022, via video/phone conference and in person – COVID -19 protocol.

OPEN SESSION: Convened at 3:12 p.m. with a quorum.

1. **DIRECTORS PRESENT:** Buldo, Ferrara, George, Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

DIRECTORS ABSENT: Caudillo

OTHERS PRESENT: Michael Hagman, Executive Director; Joe Hughes, Legal Counsel; Matt Klinchuch, Consulting Engineer; Kathy Bennett, Senior Analyst; and various members of the committees and public.

2. **APPROVE THE AGENDA:** Motion to approve the agenda was made by Director Roberts, seconded by Director Hornung, and carried by the following vote:

AYES: Buldo, Ferrara, George, Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

NOES: None

ABSTAIN: None

ABSENT: Caudillo

3. **PUBLIC COMMENT:** No public comment

4. **MINUTES:** Motion to adopt and ratify the minutes provided by the Secretary from the July 25, 2022, Special Board Meeting was made by Director Hornung, seconded by Director Roberts, and carried by the following vote:

AYES: Buldo, Ferrara, George, Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

NOES: None

ABSTAIN: None

ABSENT: Caudillo

5. ADMINISTRATION:

- a. Prop 68 – WCB-RCIS: Executive Director reported on the status of the RCIS effort. Hagman noted that it is expected that the RCIS will be approved by the Department of Fish and Wildlife by mid-September.
- b. Prop 68 – Basin Planning Grant: Executive Director noted that there is one remaining task on this grant. The grant has an approved modification that changes Task #2 to Monitoring Projects (and deleted well videoing) and an approved extension that allows these monitoring projects to be completed by mid-November and final reporting being done by December 31, 2022.
- c. Prop 68 – Basin Implementation Grant: Executive Director reminded the Board that this grant is awarded to the Mid Kaweah GSA for Kaweah Subbasin activities. The grant was heavily weighted to DAC benefits. The grant also required the activities to be in the GSP. Hagman reported that the two projects that were funded were the Lewis Creek Recharge and the Mariposa Basin connection to Lindmore ID pipeline. Lindmore ID is paying for the cost share on both projects.
- d. MBLRP Grant – Executive Director noted the \$10M grant was awarded and we are in the process of developing a plan and projects that focus on multiple benefits from currently irrigated land to repurposed land.
- e. Project Grant: Executive Director reminded the Board that this grant if managed by the Greater Kaweah GSA and has several EKGSA projects (Cottonwood and Yokohl releases from the FKC, Dry Well Study, Lindsay-Strathmore Infrastructure for releases into Lewis Creek, and Sentinel Butte Infrastructure).

6. GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION:

- a. Allocation Recommendation: The Technical Advisory Committee (TAC) and Advisory Committee (AC) reported to the Board on the groundwater condition in the EKGSA. In the presentation, it was highlighted that by the end of this allocation year (September 2022) it is that eight of the ten threshold regions will be at or near minimum threshold established in the GSP. Given that information, the TAC and the AC are recommending a Native allocation of 0.85 AF per acre to all assessed lands and a 0.30 AF per acre for all irrigated lands. In addition, the TAC is recommending that all water above Native should have a fee of \$500 AF placed on it. The Advisory Committee recommended that any discussion of fees should be deferred till after December 31, 2022.
- b. Resolution 2022-04: Setting an ET allocation for the 2023 allocation period (October 1, 2022 – September 30, 2023) – Hagman provided the resolution developed by Counsel Hughes for the Board’s consideration. After considerable discussion, the Board of Directors asked the Technical Advisory Committee to set a “cap” and deferred action on this item until a special meeting in September or the regular meeting in October.
- c. Advisory Committee (AC) Report: Director Ferrara reported that the AC had finalized their recommendations on the Projects and Policy Actions Matrix. Their recommendations were considerably similar to those provided by the TAC with the

exception that the AC wanted the EKGSA to consider land fallowing and land retirement programs especially if there was money from other sources outside of the fees charged to landowners. After some discussion, the Board thanked the committees for their work.

- d. Rules and Regulations Ad Hoc: Director George and Counsel Hughes reported that the Ad Hoc Committee has not fully completed the Rules and Regulations. Hughes noted that it is likely they will be ready for the end of September if the Board chooses to set up a meeting for that date.
 - e. Consider Allowance of EKGSA Allocation to/from EKGSA and other GSAs in the subbasin. This question was precipitated by a landowner request in the GKGSA who has lands in both the EKGSA and the GKGSA. Hagman noted that the GKGSA has no allocation, therefore, a transfer from GKGSA would ultimately have no limit. The landowner making the request noted that his letter should be considered for Native supply in the GKGSA. After substantial discussion, the Board declined transfers at this time outside or into the EKGSA from other GSAs until all GSA have similar transactional allocations.
7. **CLOSED SESSION:** Board went into closed session at 3:22 p.m. and after discussion, came out of closed session at 4:46 p.m. There was no reportable action.

8. **SCHEDULE NEXT MEETING:**

The Executive Director reported that the next regularly scheduled board meeting will be held on October 24, 2022. Hagman recommended a special meeting to address Rules and Regulations and the 2023 Allocation be established. After some calendar management, the Board Chair set a meeting for the EKGSA Board of Directors for September 30, 2022 at 3:00 PM.

9. **ADJOURNMENT:**

The meeting was adjourned at 5:40 p.m.

Michael D. Hagman
Secretary, East Kaweah GSA

2022-2023 Allocation Year Groundwater Allocation

EKGSA TAC and AC Recommendation to the Board of Directors

PENALTY	\$500 /AF	When exceeding Allocated or Transferred In Allocation or the Pumping Cap a fine of \$500 AF and a like reduction in the next Allocation Period
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	Acre Feet	Extraction Charges	
CAP	2.50		Maximum allowed GW ETa per acre
	1.35	Dependent	Allows for the transfer in of groundwater allocation as measured by ETa of up to 1.35 AF
Tier 1 Penalty	0.30	\$500 AF	Tranferable as determined by EKGSA Rules and Regulations
Native Yeild	0.85	\$0 AF	Tranferable as determined by EKGSA Rules and Regulations
Precipitation	92% of Rainfall	\$0 AF	Non-transferrable

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
RULES AND REGULATIONS**

**ARTICLE I
DEFINITIONS**

1.00. Acre-Foot. “AF” means an acre-foot of water equivalent to one acre of ground covered one foot deep in water or 325,851 gallons.

1.01. Allocation Year. “Allocation Year” means, for any given year, the 12-month period beginning October 1 and ending September 30 of the immediately following calendar year. Each Allocation Year is designated by the calendar year in which it ends. For example, the Allocation Year ending September 30, 2022 is the “2022” Allocation Year.

1.02. Board. “Board” means the Board of Directors of East Kaweah Groundwater Sustainability Agency.

1.03. Consumptive Use. “Consumptive Use” means water leaving the land due to evaporation and transpiration.

1.04. EKGSA or Agency. “EKGSA” or “Agency” means East Kaweah Groundwater Sustainability Agency.

1.05. Eligible Land. “Eligible Land” means parcels of land, designated by Assessor Parcel No., greater than two acres within the boundaries of EKGSA, excluding all land within the boundaries of the city of Lindsay as those city boundaries may exist from time to time.

1.06. Eligible Landowner. “Eligible Landowner” means a Landowner of Eligible Land.

1.07. ET. “ET” means Evapotranspiration.

1.08. Evapotranspiration. “Evapotranspiration” means the process, as measured utilizing satellite imagery and ground-based truthing stations, by which water is transferred from the land to the atmosphere by (a) evaporation from the soil and other surfaces, (b) plant transpiration, or (c) both (a) and (b).

1.09. Groundwater Credit. “Groundwater Credit” means any unused Native Allocation or Transitional Pumping allocations from a prior Allocation Year and credited to an Eligible Landowner’s EKGSA account.

1.10. Irrigated Land. “Irrigated Land” means Eligible Land irrigated as of January 31, 2020, which is (a) identified as enrolled in the Irrigated Lands Regulatory Program or other

regulatory programs that document historical irrigation use (e.g., Dairy General Order), (b) identified by other certified crop map datasets, or (c) shown with sufficient evidence to the reasonable satisfaction of the Agency to have been historically irrigated.

1.11. Landowner. “Landowner” means an owner of fee title to land within the EKGSA’s boundaries, as those boundaries may exist from time to time.

1.12. Native Allocation. “Native Allocation” means an allocation measured in AF of native sustainable yield for all Eligible Land within the EKGSA’s boundaries.

1.13. Rainfall. “Rainfall” means 92 percent of the monthly rainfall measured by rain stations within designated management areas of the EKGSA, as those areas may exist from time to time.

1.14. SGMA. “SGMA” means the Sustainable Groundwater Management Act as it may exist from time to time.

1.15. Subbasin. “Subbasin” means the Kaweah Subbasin with the boundaries identified in the report of the Department of Water Resources entitled “California Groundwater: Bulletin 118.”

1.16. Surface Water Credit. “Surface Water Credit” means a credit attributable to the delivery of surface water to an Eligible Landowner, whether for direct irrigation, or groundwater recharge and banking.

1.17. Undesirable Results. “Undesirable Results” has the same meaning used in SGMA and defined in Water Code section 10721(w).

ARTICLE II GENERAL PROVISIONS

2.00. Purpose. The purpose of these Rules and Regulations is to provide for the sustainable management of groundwater within the boundaries of the EKGSA.

2.01. Authority. The Agency may adopt rules, regulations, ordinances, and resolutions for the purpose of SGMA, in compliance with any procedural requirements applicable to the adoption of a rule, regulation, ordinance, or resolution by the Agency. (Wat Code, § 10725.2.)

2.02. Groundwater Sustainability Plan. The intent of these Rules and Regulations is to implement the provisions of the EKGSA Groundwater Sustainability Plan and may be amended at any time, as determined to be necessary by the Board, to achieve consistency with that groundwater sustainability plan and groundwater sustainability within the Agency’s boundaries.

2.03. Effective Date and Changes. These Rules and Regulations shall become effective upon adoption by the Board, and may be added to, amended and/or repealed at any time by later

resolution of the Board with any such additions, amendments, and/or repeals becoming effective upon adoption of the resolution, or as otherwise specified by the Board. However, adoption of these Rules and Regulations will not affect the effective date of any Agency policies existing as of the date the Board adopts these Rules and Regulations.

2.04. Actions Against EKGSA. Nothing contained in these Rules and Regulations may be deemed a waiver by the Agency or estop the Agency from asserting any defenses or immunities from liability as provided by law, including those provided in Division 3.6 of Title 1 of the Government Code.

2.05. Rights of Access. Before exercising any right of access, Agency staff, and/or others duly authorized by the Agency, shall take reasonable steps to notify the subject Landowner before entry thereon. Any such entry must be for the sole and exclusive purpose of conducting Agency business.

2.06. Severability. If any provision of these Rules and Regulations, or the application thereof to any person or circumstance, is held invalid, the remainder of these Rules and Regulations, and the application of its provisions to other persons or circumstances, shall not be affected thereby.

2.07. Emergency Ordinances. Nothing in this Article will prevent the Agency from, in the event of any emergency determined by the Board to exist, from enacting emergency regulations or ordinances to prevent harm to Landowners within the boundaries of the EKGSA.

ARTICLE III GROUNDWATER ALLOCATION

3.00. Determination of Allocation. Before October 1 of each Allocation Year, if reasonably possible to do so with available information, the Board, by resolution, shall determine the allocations under this Article III available for use within the EKGSA's then-existing boundaries together with any limitation on the maximum volume of groundwater any Eligible Landowner may extract in the subject Allocation Year. The Agency shall promptly thereafter cause written notice of those allocations and any maximum limitation to be (a) mailed to each affected Eligible Landowner using the Eligible Landowner's address of record maintained by the Agency and (b) posted on the Agency's website.

3.01. East Kaweah Management Area.

(a) Domestic and De Minimis Allocation. In determining allocations under this Article III, the Agency shall assume an annual groundwater demand of up to 4,500 AF within EKGSA's boundaries attributable to domestic and de minimis (i.e., 2 AF per year or less) users and make an allocation to satisfy that demand.

(b) Native Allocation. The Agency shall establish a Native Allocation for each Allocation Year. The Native Allocation for the 2022 Allocation Year is .85 AF per acre of Eligible Land. The allocation for each parcel of Eligible Land in each subsequent Allocation Year will be calculated as follows:

(1) The Agency will first determine the total inflow to EKGSA. This total inflow includes mountain course inflow from rainfall, natural infiltration from lakes and streams, and other natural inflows. The Agency will next determine the amount of those total inflows available for allocation to Eligible Landowners and then divide that amount by the total acreage of Eligible Land to establish an allocation of groundwater per acre of Eligible Land.

(2) Each Assessor's parcel of Eligible Land will receive a Native Allocation in an amount equal to (a) the subject parcel's gross Assessor's parcel acreage within the EKGSA's boundaries multiplied by (b) the allocation per acre established under section 3.01(b)(1) above.

(c) **Transitional Pumping Allocations.** In addition to the Native Allocation, the Board may, in its discretion, establish for each Allocation Year an allocation referred to as "**Transitional Pumping.**" The Agency may allocate Transitional Pumping only to Irrigated Land. The Board will allocate Transitional Pumping as a "**Tier 1 Penalty Allocation**" or a "**Tier 2 Penalty Allocation.**" For the 2022 Allocation Year, the Tier 1 Penalty Allocation is 0.3 AF per acre of measured Consumptive Use, and the Tier 2 Penalty Allocation is 0.5 AF per year of measured Consumptive Use.

(1) Transitional Pumping will be allocated under these Rules and Regulations until the Board determines to cease all allocations of Transitional Pumping. Once a parcel has been identified as Irrigated Land for purposes of this section 3.01(c), the parcel will receive a Transitional Pumping allocation each Allocation Year until the Board ceases Transitional Pumping.

(2) If a parcel is not identified as Irrigated Land as of January 31, 2020, the Eligible Landowner of that parcel may submit a written request to the Agency requesting an allocation of Transitional Pumping. For agricultural development of parcels after January 31, 2020, and Eligible Landowner may submit a written request to the Agency requesting Transitional Pumping, with that allocation being prorated based on the date the Eligible Landowner developed the subject parcel for agricultural use. The Agency shall develop forms as needed to assist Landowners with these requests. Eligible Land approved under any of those requests will be deemed Irrigated Land as of the date of the approval, unless otherwise expressly stated by the Agency.

(3) Changes in the total acreage of Irrigated Land will affect Transitional Pumping. To achieve consistency with the Agency's Groundwater Sustainability Plan, the amount of Tier 1 Penalty Allocations and/or Tier 2 Penalty Allocations may vary from Allocation Year to Allocation Year.

(d) **Rainfall Credit.** The Agency will track monthly Rainfall according to management areas determined by the Board. Each Eligible Landowner will receive a "**Rainfall Credit**" based on the amount of that Rainfall. The credit will be applied toward any water usage during the month following its allocation and carried over until used.

Rainfall Credit will be the first amount debited from an Eligible Landowner's EKGSA account, regardless of any priority elected by the Eligible Landowner under section 6.03 below.

(e) **Carryover and Transfer.**

(1) **Carryover.** If an Eligible Landowner uses less than its Native Allocation and/or any Transitional Pumping in a given Allocation Year, the difference between the total of those allocations for that year and the amount of groundwater used and/or transferred by that Eligible Landowner during that year may be carried over to the next Allocation Year. Unused allocations carried over from the previous Allocation Year shall be credited to the Landowner's EKGSA account as a Groundwater Credit. The Agency will account for Groundwater Credits according to the form of allocation (i.e., Native Allocation or Transitional Pumping). Groundwater Credits may remain in an Eligible Landowner's EKGSA account for a rotation of five years. For purposes of this five-year rotation, the Agency will apply Groundwater Credits on a "first in, first out" basis. Any Groundwater Credits unused after those five years will be removed from an Eligible Landowner's EKGSA account as of the first day of the sixth Allocation Year after the Groundwater Credit is created. For example, any unused 2022 Native Allocation will become Groundwater Credits on October 1, 2022 and will remain available for use or transfer under these Rules and Regulations through September 30, 2027. Any unused portion of those Groundwater Credits will be removed from the subject account on October 1, 2027. The impact of the total quantity of water used within EKGSA in any five-year period must be consistent with the provisions of the EKGSA's GSP.

(2) **Transfer within EKGSA.** Eligible Landowners may transfer their Native Allocation, Transitional Pumping, and Groundwater Credits within the EKGSA. Rainfall Credits may not be transferred. All transfers of Native Allocation, Transitional Pumping, and Groundwater Credits must be memorialized in writing, using a form provided by the Agency and approved by the Agency's Executive Director before the subject transfer will be recognized as effective by the Agency. All transferred allocations will be credited to the transferee's account as a Groundwater Credit. Transferred Transitional Pumping, even if carried over as a Groundwater Credit, must be used within the Allocation Year of transfer and within the EKGSA's boundaries. All transfers will be subject to final review and approval by the Agency to avoid potential Undesirable Results.

(3) **Transfers Between Subbasin GSAs.** Eligible Landowners may transfer (i) all or any portion of their Native Allocation for use in another groundwater sustainability agency within the Subbasin, and (ii) the equivalent of EKGSA's Native Allocation from another groundwater sustainability agency within the Subbasin for use on Eligible Land in EKGSA. All transfers under this section 3.01(e)(3) are subject to final review and approval by (i) the Agency to

avoid potential Undesirable Results, and (ii) the groundwater sustainability agency identified to receive the transfer.

3.02. Community Management Areas. The Board may from time to time establish community management areas.

3.03. Protest of Allocations.

(a) Any Eligible Landowner may protest in writing its allocations made by the Agency under this Article III. However, the written protest must be submitted to the Executive Director at the Agency's office within 30 days of the mailing date of the notice under section 3.00 above. The Executive Director shall investigate matters related to the protest, may consult with the Agency's technical group, and shall present any relevant information, along with a recommendation regarding the protest, to the Board within 60 days of receipt of the protest. The Board shall act on the protest and any supporting documentation within 120 days of receipt of the Executive Director's recommendation.

(b) Except for protests arising from allocations made for the 2022 Allocation Year, no protest is allowed unless, for the Allocation Year in which a protest is made, the protesting Eligible Landowner is in full compliance with these Rules and Regulations, is not in default of any EKGSA obligation, and is in good standing with the Agency as of the first day of that Allocation Year.

ARTICLE IV SURFACE WATER CREDITS

4.00. Surface Water Reporting. All Eligible Landowners within the EKGSA utilizing surface water shall cause to be reported, from the applicable surface water entity, the delivery of surface water for direct irrigation, or groundwater recharge or banking. The Agency will not credit any Eligible Landowner's EKGSA account with Surface Water Credits without receiving all delivery information deemed necessary by the Agency to substantiate the allocation of Surface Water Credits for those deliveries of surface water. The Eligible Landowner claiming Surface Water Credits must provide the Agency with all information deemed necessary by the Agency within a reasonable time following delivery of surface water to enable the Agency to provide the requested credit, but in no event later than 30 days following the Allocation Year during which the Eligible Landowner to delivery of the subject surface water.

(a) **Recharge and Banking Activities.** Before crediting or debiting an Eligible Landowner's EKGSA account with Surface Water Credits, the Agency may ensure that the recharge or banking of any related surface water is consistent with any applicable groundwater banking or recharge policies. The EKGSA acknowledges that several special districts operate within EKGSA's boundaries. Several of those districts have adopted and implemented groundwater banking and recharge policies to facilitate the underground storage and beneficial use of surface water. EKGSA will honor those groundwater banking and recharge policies in its crediting of Surface Water Credits.

4.01. The Agency shall provide Eligible Landowners with Surface Water Credits resulting from surface water deliveries reported to the Agency using a ratio of 1:1 (one Surface Water Credit for each net AF of surface water delivered after any leave-behind and evaporation losses determined by the Agency, if applicable).

ARTICLE V WATER USE MONITORING

5.00. Well Registration. The Agency does not require registration of wells with the EKGSA at this time.

5.01. Water Use Measurement. The Agency will measure water use and groundwater extraction using the Evapotranspiration method. The Agency will estimate crop ET using remote sensing data from satellites. The satellite data will be entered into a model utilized by the Agency which will then be used to estimate the ET rate and ET spatial distribution of an area in any given time period. When calibrated to land-based ET and/or climate stations and validated with crop surveys, the satellite-based model will provide an estimate of crop ET (i.e., Consumptive Use).

5.02. Restriction on Management Area Extractions. To avoid potential Undesirable Results, the Agency may establish by resolution a limitation (i.e., cap) on all extractions of groundwater within a management area or areas, regardless of allocations and accumulated Groundwater Credits.

ARTICLE VI GROUNDWATER ACCOUNTING AND MANAGEMENT OF ALLOCATIONS

6.00. Online Water Accounting Dashboard. The Agency shall establish an online dashboard for Eligible Landowners to account for total water usage within the EKGSA boundaries. Eligible Landowners may allow operators access and control of their account(s) after providing any documentation authorizing that access and control reasonably required by the Agency.

6.02. Categories of Water. The online dashboard will account for groundwater using the following six categories: (a) Rainfall Credits, (b) Surface Water Credits, (c) Native Allocation, (d) Tier 1 Penalty Allocation, (e) Tier 2 Penalty Allocation, and (f) Groundwater Credits.

6.03. Priority of Use. Until the Agency's online dashboard is capable of allowing Eligible Landowners with more than one category of credits under these Rules and Regulations to elect the order in which those categories of credits are to be debited or transferred, and after the online dashboard has that capability if an Eligible Landowner makes no election, the default order of priority by category for debit and transfer will be in the order of section 6.02.(a) through (f) above. When the Agency's online dashboard has the capability, as determined by the Board, for Eligible Landowners to elect the order in which categories of credits are to be debited or transferred, Eligible Landowners will be entitled to make that election, except for Rainfall Credits, which will be the first credits debited as provided in section 3.01(d) above. Any election by an Eligible Landowner under this section 6.03 must be made before the Agency makes the calculation and debit under section 6.04 below.

6.04. Net Consumptive Use Reporting and Debiting. Within 30 days of the end of the prior month, the Agency shall calculate and debit each Eligible Landowner's net Consumptive Use from the applicable category. If a watercourse, including canals, ditches, or riparian areas, is located within the boundaries of a parcel of Eligible Land, the area of that watercourse will not be included in the evaluation of any Consumptive Use.

ARTICLE VII FEES & PENALTIES

7.00. Penalty for Excess Use. The Agency shall assess each Eligible Landowner extracting groundwater in excess of its Native Allocation in an Allocation Year a penalty equal to \$500 multiplied by the excess volume measured in AF. All penalties must be paid within 30 days of the issuance of an invoice for that penalty by the Agency, or within any other period established by the Board and shown on the subject invoice. Additionally, the Agency may deduct all or a portion of the excess volume from the Eligible Landowner's allocations for the immediately following Allocation Year.

7.01. SGMA Penalties. Any Eligible Landowner, operator, or other person who violates the provisions of these Rules and Regulations is subject to the criminal and civil sanctions set forth in SGMA.

7.02. Civil Remedies. Upon the failure of any person to comply with any provision of these Rules and Regulations, including any allocations of groundwater and limitations on extraction of groundwater established by the Agency under these Rules and Regulations, the Agency may petition the Superior Court for a temporary restraining order, preliminary or permanent injunction, or such other equitable relief as may be appropriate. The right to petition for injunctive relief is an additional right to those, which may be provided elsewhere in these Rules and Regulations or otherwise allowed by law. The Agency may also petition the Superior Court to recover any sums due to the Agency.

7.03. Protest of Usage Measurement and Penalty Assessment. Each Eligible Landowner may protest the Agency's measurement of the Eligible Landowner's usage of water and any assessment by the Agency of a penalty. As a condition to its entitlement to protest under this section 7.03, an Eligible Landowner must be in full compliance, at the time of the protest, with these Rules and Regulations and not in default of any obligation owed to the Agency. The procedures for resolving a protest are as follows:

(a) All protests must be submitted in writing to the Agency's Executive Director no later than 30 days of receipt of billing.

(b) If the protest cannot be resolved within 60 days of receipt by the Executive Director, the Executive Director shall submit the protest to the Board, which shall issue a ruling on the protest.

(c) Eligible Landowners may protest the Consumptive Use as defined by evapotranspiration.

(d) Any protest must include data of applied usage from instrumentation registered with the Agency, properly installed, and operating within the manufacturer's specifications. Otherwise, the protest will be disallowed.

(e) Any protest must include the maintenance records of all equipment and instrumentation upon which the protest is based. Otherwise, the protest will be disallowed.

(f) If the protest is not resolved in favor of the protestor, the protestor must reimburse the Agency for the Agency's reasonable costs incurred in the protest.