

**THE BOARD OF DIRECTORS
OF THE COUNTY OF MADERA
GROUNDWATER SUSTAINABILITY AGENCIES
FOR THE MADERA, CHOWCHILLA, AND DELTA-MENDOTA SUBBASINS**

In the Matter of

THE SUSTAINABLE
GROUNDWATER MANAGEMENT
ACT

) Resolution No.: 2025-114
)
) **RESOLUTION ADOPTING POLICY FOR**
) **ALLOCATION OF CARRYOVER**
) **CREDITS AND PENALTIES**
) **DURING FARM UNIT**
) **REORGANIZATION**
)
)

WHEREAS, the Sustainable Groundwater Management Act, Water Code sections 10720-10737.8 ("SGMA"), was signed into law on September 14, 2014;

WHEREAS, SGMA requires that each groundwater basin be managed by a Groundwater Sustainability Agency ("GSA"), or multiple GSAs, and that such management be pursuant to an approved Groundwater Sustainability Plan ("GSP"), or multiple GSPs;

WHEREAS, SGMA provides GSAs with the authority and the technical and financial framework necessary to sustainably manage groundwater, and a GSA has the powers conferred in SGMA to provide the maximum degree of local control and flexibility consistent with the sustainability goals of SGMA;

WHEREAS, the County of Madera ("County") is the exclusive GSA for the portions of the Madera, Chowchilla, and Delta-Mendota Subbasins that are in unincorporated areas of the County and is not otherwise covered by another public agency (hereinafter referred to in the singular as the "County GSA"), and the Board of Supervisors is the ex officio Board of Directors (hereinafter "Board of Directors") for the County GSA;

WHEREAS, under SGMA, a GSA has the authority to limit extractions from groundwater wells, establish groundwater extraction allocations, and authorize temporary and permanent transfers of groundwater extraction allocations, and a GSA may adopt rules, regulations, ordinances, and resolutions to further these ends;

WHEREAS, the County GSAs have analyzed groundwater use over historical periods to the present and have noticed a significant increase in water demand caused by recent plantings of permanent crops into previously unplanted lands and the replacement of lower-water-using plants with higher-water-using plants, thus further exacerbating the challenges the GSPs seek to address with respect to achieving sustainability;

WHEREAS, on December 15, 2020, the Board of Directors adopted Resolution No. 2020-166, adopting an approach to allocating groundwater (the "Allocation Approach") in the Subbasins, allowing parcels meeting certain criteria (hereafter "eligible parcels") to have access to groundwater classified using two (2) designations:

1. The sustainable yield of native groundwater; and
2. Transitional water that is continued overdraft but will incrementally decrease during the GSP implementation period;

WHEREAS, the Allocation Approach allows the County GSAs' per-acre (parcel-based) allocations of sustainable yield and transitional water to be shared within designated "farm units" to allow flexibility and reflect real-world farming conditions in which resources are shared among commonly operated or managed lands;

WHEREAS, because a farm unit is for the purpose of allowing a landowner and/or land manager to group parcels together within the same farm unit zone that are commonly

operated or managed, it should be demonstrated to the satisfaction of the County GSA an existing relationship of owning/managing for any parcels to be included in a farm unit;

WHEREAS, on June 8, 2021, the County GSA Board of Directors adopted Resolution No. 2021-069, establishing rules for farm unit allocations including carryover allocations;

WHEREAS, it is the desire of the Board of Directors to adopt a resolution that further formalizes such allocation of carryover credits and penalties during farm unit reorganization at the year-end; and

WHEREAS, this Resolution is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines sections 15307 (action of regulatory agency to protect natural resources), 15308 (action of a regulatory agency to protect the environment), and 15061(b)(3) (the "common sense" exemption where a project is exempt if it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors for the County GSA in the Madera, Chowchilla and Delta-Mendota Subbasins, as follows:

1. The recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The rules governing farm unit carryover allocation and penalties during farm unit reorganization are attached hereto as Exhibit "A."
3. The Director of the Department of Water and Natural Resources is hereby authorized and directed to take further actions as may be necessary to implement the intent and purposes of this resolution.

* * * * *

The foregoing Resolution was adopted this 14TH day of OCTOBER 2025, by the following vote:



Director Wamhoff voted: yes
Director Rogers voted: yes
Director Poythress voted: yes
Director Gonzalez voted: yes
Director Macaulay voted: yes


Chair, Board of Directors

ATTEST:


Clerk, Board of Directors

Approved as to Legal Form
COUNTY COUNSEL

By: Rebecca D. Wilson
Digitally signed by: Rebecca D. Wilson
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Date: 2025.08.27 09:01:35 -0700

EXHIBIT A



Policy For Allocation of Carryover Credits And Penalties During Annual Farm Unit Reorganization

At the end of each year, Madera County Groundwater Sustainability Agency in the Madera, Chowchilla and Delta-Mendota Subbasins ("GSA") staff allow farm units to be reorganized within farm unit zones. This might include a farm unit that is split from one farm unit into multiple farm units. This also might include a farm unit that is created by combining existing farm units.

If members of a farm unit wish to split a farm unit or sell land within a farm unit, GSA staff recommend notifying the GSA at least 30 days before the proposed split or sale.

Carryover Credits

The Sustainable Groundwater Management Act ("SGMA") expressly gives GSAs the power to: "establish accounting rules to allow unused groundwater extraction allocations issued by the agency to be carried over from one year to another and voluntarily transferred." (Water Code, § 10726.4 (a)(4).) Allowing variation in farm unit carryover allocations also tends to be supported by the Madera County GSA's allocation policy which is *"to allow flexibility and reflect real-world farming conditions"* in which resources are shared among commonly operated or managed lands" (emphasis added) (Resolution 2020-166.)

Groundwater allocation carryover credits will automatically roll over from year to year. If a farm unit is split, the carryover credit is distributed to the resulting farm units using a volumetric apportionment approach, unless a negotiated lease, sales or other written agreement provides for a different carryover split.

If the farm unit parties wish to split carryover credit allocations using a calculation different than a volumetric apportionment approach, the farm unit parties shall provide a fully executed lease, sales or other written agreement that describes the carryover credit allocation in such a way that it is clear and understandable and can be carried out by GSA staff.

Penalties

Farm unit penalties shall be assigned by a volumetric apportionment approach to each assessor's parcel unit ("APN") within the farm unit. This allows the farm unit penalty to be





assessed through the County Treasurer-Tax Collector's Office if the penalties are unpaid after direct mail from the GSA.

If a farm unit is sold during the calendar year and has penalties attributable to the calendar year, the owner for the majority of the calendar year shall be responsible for paying the penalty unless a lease, sales or other written agreement applies.

How the Volumetric Apportionment Approach Works

The GSA shall distribute both carryover credits and penalties to individual parcels within each farm unit using a volumetric apportionment approach. This approach uses a volumetric allocation process that accounts for how much groundwater each parcel actually uses, when distributing carryover credits and penalties to the individual parcels within the farm unit.

The volumetric apportionment approach proportionally allocates credits and penalties based on each parcel's contribution to the farm unit's overall groundwater use:

- **For carryover credits:** If a farm unit earns carryover credits, parcels that used less water (contributing more to the carryover credit) receive a larger share of the carryover credit.
- **For penalties:** If a farm unit incurs penalties, parcels that used more water (contributing more to the penalty) bear a larger share of those penalties.

This parcel-level tracking facilitates changes to allocations when farm units are divided, sold, or reconfigured over time.

