

**GREATER KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
2024-2025 PILOT FALLOWING PROGRAM CONTRACT**

This 2024-2025 FALLOWING PROGRAM Contract (hereinafter “**Contract**” or “**Agreement**”) is made this 8th day of October 2024, by and between **City of Visalia** (“**Grower**”) and the Greater Kaweah Groundwater Sustainability Agency (“**GKGS**A”).

RECITALS

- A. Fallowing Program (“Program”) is offered to Growers in an effort to reduce demand on the groundwater resources of the GKGS A and move the GSA toward sustainability. It is an optional, 1-year program where Grower agrees to fallow designated property, not irrigate, not produce any crop, and eliminate use of groundwater associated with the property.
- B. GKGS A has established the 2024-2025 Fallowing Program, funded through penalty fees collected from the Transitional Pumping Program which invoices annually from landowners who pump water in excess of their Sustainable Yield Allocation;
- C. GKGS A, at its discretion, will make a portion of those funds available to pay growers to fallow designated property(s) for one (1) year, October 1 through September 30, all subject to funds available;
- D. Grower has submitted an application to participate in the Program, which is attached hereto and incorporated by reference as **Exhibit A**;
- E. Grower has reviewed this Agreement, as well as the Fallowing Program Summary, and desires to participate in the Program, and to cooperate with the GKGS A with respect to the performance of the Agreement;
- F. Grower understands that to participate in the Program he or she must be in “good standing” with the GKGS A, compliant in previous Fallowing Program participation (if applicable), compliant with all rules and regulations, and not in violation of any law, statute, regulation, or otherwise.

NOW THEREFORE, in and for consideration of the mutual covenants, conditions and promises hereinafter set forth, the Parties hereby agree as follows:

AGREEMENT

1. **Recitals.** The above recitals are hereby incorporated by reference and made a part of this Agreement as though fully set forth herein.

2. **Land Fallowing.** Grower shall fallow 120.87 acres identified in the application submitted by Grower (“Enrolled Lands”), and all Enrolled Lands shall remain fallowed from October 1, 2024 through September 30, 2025. The Enrolled Lands are more particularly described in attached **Exhibit B**, and if the Enrolled Lands are less than a full parcel, Grower shall include a map illustrating the location of the partial acreage to be fallowed.

To qualify as fallowed, the Enrolled Lands must eliminate the entire consumption of groundwater available for the property, specifically the Sustainable Yield Allocation, Tier 1

Allocation, Tier 2 Allocation adding up to 1.32 acre feet per acre of groundwater. Additionally, water associated with the Enrolled Lands is not available for groundwater Carryover, Transfer, or use in any other way. No production and harvesting of crops on the Enrolled Lands are allowed. Cover crops are allowed via rainwater only and cannot be harvested. Grazing is permitted.

3. No Extraction of Native Sustainable Yield, Tier 1, Tier 2 Allocation(s). Pursuant to Section 4.03(a) and (b) of the GKGSA Third Amended Rules and Regulations approved February 12, 2024 and any subsequent amendments thereto (hereinafter “GKGSA Rules and Regulations”), Grower hereby waives any right to receive any Sustainable Yield, Tier 1, Tier 2 Penalty Allocation(s) for the Enrolled Lands for the 2024-2025 year. Grower is prohibited from using Sustainable Yield, Tier 1, Tier 2, Penalty Allocation(s) regardless of source on the Enrolled Lands, including but not limited to Sustainable Yield, Tier 1, Tier 2, Penalty Allocation(s) allocated to lands owned by Grower, but not enrolled pursuant to the Program, or transferred Sustainable Yield, Tier 1, Tier 2, Penalty Allocation(s) from third parties.

a. Recharge or Banked Credits

Grower is not prohibited from applying Direct Diversions of Surface Water or Surface Water Recharge Credits as defined pursuant to GKGSA Rules and Regulations Section 3.03(b) and (g) on the Enrolled Lands.

4. Verification. GKGSA staff, or representative consultants, will verify compliance with the 2024-2025 Fallowing Program (“Verification Process”) ensuring there is no active irrigation or crop production on the Enrolled Lands. The Verification Process will consist of (1) performing inspections (one estimated to be conducted in April 2025, and one estimated to be conducted in August 2025), and (2) evaluation of remote sensing data (LandIQ) for each month from October 1, 2024 through September 30, 2025.

5. Compensation. As consideration for the mutual covenants, conditions and promises to set forth herein, the GKGSA will compensate Grower(s) according to their bid and the associated uniform price selected by the GKGSA in the bidding process. For each acre of fallowed land enrolled in the 2024-2025 Fallowing Program, Grower will be compensated \$500 per acre.

Accordingly, GKGSA will compensate Grower a total of \$60,435.00 in December 2025, or January 2026, depending on Grower preference and only after successful compliance has been determined through the Verification Process.

6. Dust Mitigation Plan. No later than December 2, 2024, Grower shall prepare and submit to GKGSA a dust mitigation plan, such as a cover crop planting strategy, chipping, or a water truck application plan. Grower is required to comply with any and all existing and future laws or regulations regarding dust mitigation, including but not limited to those restrictions imposed by the San Joaquin Valley Air Pollution Control Board.

7. Cooperation with GSA. Grower agrees to cooperate with GKGSA in all matters related to the performance of this Agreement. In addition, Grower agrees to provide timely and accurate information regarding all matters related to this Contract, as well as all matters referenced in the Guidelines.

8. Indemnity and Hold Harmless. To the fullest extent permitted by law, Grower shall indemnify, hold harmless, and defend GKGSA, its directors, officers, employees, consultants, agents or authorized volunteers, and each of them, from any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever, arising out of or in any manner directly or indirectly connected with Grower's breach of this Agreement.

9. Access to Lands. Grower agrees to provide access to GKGSA, or a representative consultant, with respect to the Enrolled Lands.

10. Successor and Assigns. All of the terms, covenants and provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto.

11. Default. Grower shall be in default of this Agreement if any of the following occur: (1) the Enrolled Lands are not fallowed for the entirety of the period beginning October 1, 2024 and ending September 30, 2025; (2) Sustainable Yield, Tier 1, or Tier 2 Penalty Allocation(s) are consumed on the Enrolled Lands; (3) Grower has not prepared, or is not complying with, a dust mitigation plan; or (4) Grower is not in "good standing" with the GKGSA.

12. Remedies. If Grower defaults, or otherwise materially breaches this Agreement, the GSA may require the following: (1) repayment of entire award; (2) reduction in future years' allocations for property owned by Grower within the GKGSA; or (3) take any other action it deems appropriate for the implementation of the Program, its performance of the GSA Contract, or the performance of this Agreement.

13. Grower Representations, Warranties, and Covenants. Grower represents and warrants to GKGSA that Grower is the sole owner of the Enrolled Lands and has the unrestricted right and authority to enter into this Agreement. Each person signing this Agreement on behalf of Grower is authorized to do so, and all persons and entities having any ownership or possessory interest in Grower's property are signing this Agreement. Grower represents and warrants that he or she has complied with all required regulations and guidelines of the Program, and that all of the representations made by Grower in Grower's application to the Program are true and correct.

14. Attorney's Fees. In the event of a dispute between the parties related to or arising from this Agreement or any of the actions or events described herein, the prevailing party in any litigation or arbitration shall be entitled to recover all costs and fees associated with the action or arbitration, including, without limitation, all attorney's fees and expert witness fees.

15. Compliance with all Laws. Grower is required to comply with all laws, regulations, and permitting, including but not limited to GKGSAs Rules and Regulations.

16. Governing Law. The laws of the State of California shall govern under the interpretation and enforcement of this Agreement.

17. Interpretation. The parties agree that the terms and provisions of this Agreement embody their mutual intent and that such terms and conditions are not to be construed more liberally in favor, or more strictly against, any Party.

18. Partial Invalidity. If any term or provision of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, a provision shall be added to this Agreement as similar in terms to such invalid or unenforceable provision as may be possible, and be legal, valid and enforceable, and the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

“Grower”

City of Visalia, Landowner

“GKGSAs”

Greater Kaweah Groundwater
Sustainability Agency

By _____
Mark Larsen, General Manager

EXHIBIT A
GROWER APPLICATION

EXHIBIT B

LEGAL DESCRIPTION OF ENROLLED LANDS

PILOT LAND FALLOWING PROGRAM SUBMISSION FORM

CONTACT INFORMATION

Name City of Visalia

Mailing Address 707 W. Acequia Ave., Visalia, CA 93291

Phone (559) 713-4428

Email nick.bartsch@visalia.city

Name of Farming Operation City of Visalia

Please refer to your water dashboard at <https://gsawd.com/> in order to provide accurate information below.

Water Dashboard Number (upper left hand corner of dashboard): WD 3411

List the fields you pledge to fallow below.

Water Account Number	APN	Dashboard Field Name	Crop Type	Dashboard Field Acres
WA <u>0001562</u>	073-110-036	Walnuts West of 99	Walnuts	120.87
WA <u>0001562</u>	073-110-049	Walnuts West of 99	Walnuts	
WA <u>0001562</u>	073-110-051	Walnuts West of 99	Walnuts	
WA <u>0001562</u>	073-110-068	Walnuts West of 99	Walnuts	
Total acres to Fallow:				120.87
COMPENSATION: Price grower is willing to accept per acre:				\$ 300.00

Would you be interested in strategic recharge opportunities to put excess surface water/flood water on your fallowed land? ☒ YES / ☐ NO

☒ I understand that if accepted, I am agreeing to fallow the above acreage(s) for a total of **one** year beginning October 1, 2024 through September 31, 2025 and that 1.87 acre feet per acre of water will be deducted from my dashboard for each acre fallowed.

Signature Julie B. Lawrence Date 8-30-24