

Notice and Agenda of a Workshop of the Yucaipa Sustainable Groundwater Management Agency

Policy Workshop

Thursday, June 25, 2026 at 9:00 a.m.

(909) 797-2489 | www.yucaipasgma.org

Yucaipa Valley Regional Water Filtration Facility
35477 Oak Glen Road
Yucaipa, California 92399

- I. Call to Order
- II. Discussion Regarding Draft Ordinance No. 2026-01 - An Ordinance of the Board of Directors of the Yucaipa Sustainable Groundwater Management Agency Adopting Rules and Regulations to Implement the Yucaipa Subbasin Groundwater
- III. Next Yucaipa Sustainable Groundwater Management Agency Board Meeting - Wednesday, July 22, 2026 at 10:30 am at the City of Yucaipa
- IV. Adjournment

ORDINANCE NO. 2026-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE YUCAIPA SUSTAINABLE GROUNDWATER MANAGEMENT AGENCY ADOPTING RULES AND REGULATIONS TO IMPLEMENT THE YUCAIPA SUBBASIN GROUNDWATER SUSTAINABILITY PLAN

RECITALS AND FINDINGS

WHEREAS, the Sustainable Groundwater Management Act ("SGMA"), codified at California Water Code Section 10720 et seq., became effective on January 1, 2015, establishing a comprehensive statewide framework for sustainable groundwater management in California and granting Groundwater Sustainability Agencies ("GSAs") broad authority to adopt rules, regulations, and ordinances necessary to implement Groundwater Sustainability Plans ("GSPs"); and

WHEREAS, SGMA mandates that groundwater basins be managed sustainably over a planning horizon of at least 20 years without causing "undesirable results" as defined in Water Code § 10721(x), including chronic lowering of groundwater levels, significant and unreasonable reduction of groundwater storage, seawater intrusion, degraded water quality, land subsidence, and depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water; and

WHEREAS, the Yucaipa Sustainable Groundwater Management Agency ("Yucaipa SGMA" or "Agency") was formed in 2017 as a multi-jurisdictional GSA pursuant to a Memorandum of Agreement among the participating entities to serve as the exclusive GSA for the Yucaipa Subbasin (DWR Basin Number 8-002.07); and

WHEREAS, the Yucaipa SGMA adopted the Final Groundwater Sustainability Plan for the Yucaipa Groundwater Subbasin ("GSP") on January 26, 2022, which was subsequently approved by the California Department of Water Resources ("DWR") on January 18, 2024, establishing sustainable management criteria, measurable objectives, minimum thresholds, and a path to achieve sustainability by 2042; and

WHEREAS, the GSP identifies four Management Areas (North Bench, Calimesa, Western Heights, and San Timoteo) based on geographic, geologic, and hydrologic characteristics and establishes a Subbasin-wide sustainable yield of approximately 10,980 acre-feet per year (AFY); and

WHEREAS, the GSP establishes three primary Management Actions to achieve and maintain sustainable groundwater conditions by 2042; and

WHEREAS, Management Action #1 provides for staged reductions in net groundwater use (5%/10%/15%/20%) triggered when groundwater elevations fall below the measurable objectives or minimum thresholds at fifty percent (50%) or more of the Representative Monitoring Points in a Management Area for two consecutive years; and

WHEREAS, Management Action #2 establishes sustainable yield pumping allocations for groundwater users within each Management Area together with a system for the accumulation

and use of pumping credits for unused allocations, and this Ordinance provides the detailed accounting framework, including Groundwater Storage Containers, rules for the accumulation and utilization of Storage Credits, transfer provisions, and volume caps, that implements and operationalizes this Management Action; and

WHEREAS, Management Action #3 provides for the accounting of surplus supplemental recharged water, and the Supplemental Water Storage Account provisions established by this Ordinance operationalize and implement this Management Action; and

WHEREAS, this Ordinance is designed to support the full and effective implementation of the GSP's Management Actions, with particular emphasis on Actions #2 and #3, while remaining fully consistent with the sustainable management criteria, the adaptive management framework under Action #1, and all applicable requirements of SGMA; and

WHEREAS, Water Code Section 10726.4(a)(4) authorizes GSAs to establish accounting rules to allow unused groundwater extraction allocations to be carried over from one year to another and voluntarily transferred, provided the total quantity extracted over any five-year period remains consistent with the GSP; and

WHEREAS, the establishment of Groundwater Storage Containers and Supplemental Water Storage Accounts will incentivize efficient water use, facilitate banking of surplus water for drought resilience, support conjunctive use, and provide operational flexibility while ensuring consistency with the GSP's sustainable management criteria; and

WHEREAS, private well owners within the Subbasin may elect to connect to a Purveyor's water service system, and clear rules for the transfer of associated groundwater extraction allocations are necessary to maintain consistency with the GSP sustainable yield framework; and

WHEREAS, SGMA and the GSP require robust monitoring, metering, reporting, and data management to ensure compliance and enable adaptive management, particularly in preparation for the required five-year periodic evaluation of the GSP anticipated in 2027; and

WHEREAS, the Board of Directors desires to adopt comprehensive Rules and Regulations in the form of this Ordinance to provide regulatory certainty, transparency, and enforceable standards for the implementation of the Storage Container and allocation system; and

WHEREAS, this Ordinance is consistent with the GSP, SGMA, the California Water Code, and all other applicable laws, and is necessary to protect the long-term viability of the groundwater resource for current and future beneficial uses;

WHEREAS, the Board finds that allocations, Storage Credits, Storage Containers, and Supplemental Water Storage Accounts are administrative accounting mechanisms for implementation of the GSP and do not constitute adjudications of groundwater rights, vested property rights, or guarantees of future extractions.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Yucaipa Sustainable Groundwater Management Agency as follows:

ARTICLE 1 – GENERAL PROVISIONS

Section 1.01 – Authority

This Ordinance is adopted pursuant to the authority granted to the Agency under the Sustainable Groundwater Management Act (Water Code §§ 10720–10737.8). Without limiting the generality of the foregoing, such authority includes, but is not limited to, the powers set forth in Water Code sections 10725.2, 10725.4, 10725.6, 10725.8, 10726.2, 10726.4, 10730 et seq., and 10732, together with all other applicable provisions of SGMA and the California Water Code. The Agency’s authority is further derived from its Joint Powers Agreement or Memorandum of Agreement, as applicable.

This Ordinance shall have the force and effect of law within the jurisdiction of the Agency and shall be enforceable in accordance with its terms and applicable law.

Section 1.02 – Purpose and Intent

The purpose of this Ordinance is to establish comprehensive, enforceable Rules and Regulations governing the accounting, accumulation, utilization, and transfer of unused sustainable yield allocations through Groundwater Storage Containers and Supplemental Water Storage Accounts. This Ordinance implements and operationalizes the GSP’s Management Action #2, promotes conjunctive use and water use efficiency, enhances water supply reliability and drought resilience, provides operational flexibility to Purveyors and qualifying private well owners, ensures equitable and sustainable management of the Yucaipa Subbasin, and supports the achievement and maintenance of sustainable groundwater conditions by 2042 in accordance with SGMA and the GSP.

Section 1.03 – Applicability

This Ordinance applies to all Purveyors and all Qualifying Private Well Owners within the Yucaipa Subbasin. A Private Well Owner becomes a Qualifying Private Well Owner, and thereby eligible to participate in the Storage Container and transfer system established by this Ordinance, only upon satisfying the eligibility requirements set forth in Article 8.

For purposes of this Ordinance, the following categories of groundwater extractors are used to operationalize the management of groundwater resources:

- A. De Minimis Extractor means any person who extracts two (2) acre-feet or less of groundwater per year for domestic purposes, as defined in Water Code § 10721(e). De Minimis Extractors are exempt from the mandatory Storage Container accounting, allocation, transfer, and related provisions of this Ordinance, consistent with SGMA.
- B. Low Volume Private Well Owner means a Private Well Owner who extracts more than two (2) acre-feet but not more than ten (10) acre-feet of groundwater per Water Year. Low Volume Private Well Owners are generally exempt from the mandatory Storage Container accounting, allocation, transfer, and related provisions of this Ordinance unless the

Agency determines that participation is necessary to protect sustainable management of the Subbasin.

- C. High Volume Private Well Owner means a Private Well Owner who extracts more than ten (10) acre-feet of groundwater per Water Year. High Volume Private Well Owners are subject to the Storage Container, allocation, and transfer provisions of this Ordinance upon satisfying the requirements of Article 8 and becoming Qualifying Private Well Owners.

Nothing in this Ordinance alters the statutory definition or treatment of De Minimis Extractors under SGMA. Persons meeting the statutory de minimis definition remain exempt from certain SGMA requirements, including mandatory metering and reporting under many circumstances.

All De Minimis Extractors and Low Volume Private Well Owners are encouraged to voluntarily participate in Agency programs, including metering and reporting where feasible, to support accurate basin monitoring and the five-year periodic evaluation of the GSP.

This Ordinance governs groundwater extraction accounting, Storage Credits, transfers, and related activities within each Management Area for all Purveyors and Qualifying Private Well Owners.

Section 1.04 – Definitions

For purposes of this Ordinance, the following definitions shall apply. Terms not defined herein shall have the meanings ascribed to them in SGMA (Water Code § 10721), the GSP, or common usage in California water law:

- A. “Administrative Consultant” means the consultant or firm retained by the Agency to provide administrative, technical, and regulatory support services for the implementation and ongoing administration of this Ordinance, the Groundwater Sustainability Plan, and the Agency’s obligations under the Sustainable Groundwater Management Act, in lieu of a General Manager.
- B. “Agency” or “Yucaipa SGMA” means the Yucaipa Sustainable Groundwater Management Agency.
- C. “Annual Sustainable Yield Allocation” means the quantity of groundwater, measured in acre-feet, that each Purveyor or Qualifying Private Well Owner is authorized to extract annually from a specific Management Area, based on their proportionate share of the Management Area’s sustainable yield as established in the GSP and as set forth in Article 3 of this Ordinance, or as subsequently updated by the Board.
- D. “Board” means the Board of Directors of the Yucaipa Sustainable Groundwater Management Agency.
- E. “De Minimis Extractor” means any person who extracts two (2) acre-feet or less of groundwater per year.
- F. “Groundwater Storage Container” or “Storage Container” means the accounting mechanism established by the Agency for each Purveyor and each Qualifying Private Well

Owner to track Unused Sustainable Yield (Unused Pumping Credits) for future beneficial use, subject to the limitations in this Ordinance.

- G. “GSP” or “Groundwater Sustainability Plan” means the Final Groundwater Sustainability Plan for the Yucaipa Groundwater Subbasin, adopted January 26, 2022, and approved by DWR on January 18, 2024, as may be amended or updated.
- H. “High Volume Private Well Owner” means a Private Well Owner who extracts and produces more than ten (10) acre-feet of groundwater per year.
- I. “Low Volume Private Well Owner” means a person who extracts more than the statutory de minimis amount but not more than ten (10) acre feet of groundwater per Water Year, and who is exempt from the Storage Container and allocation-participation requirements of this Ordinance unless otherwise required by the Agency, the GSP, or SGMA. The term does not alter the statutory definition of “De Minimis Extractor” in Water Code section 10721(e).
- J. “Management Area” means one of the four distinct Management Areas identified in the GSP: North Bench Management Area, Calimesa Management Area, Western Heights Management Area, and San Timoteo Management Area.
- K. “Minimum Threshold” and “Measurable Objective” have the meanings set forth in the GSP and SGMA regulations for each sustainability indicator.
- L. “Private Well Owner” means an individual, property owner, or entity who owns, operates, or maintains a groundwater extraction well within the Yucaipa Subbasin that extracts groundwater for beneficial use on private property and is not a Purveyor.
- M. “Purveyor” means South Mesa Water Company, South Mountain Water Company, Western Heights Water Company, and Yucaipa Valley Water District.
- N. “Qualifying Private Well Owner” means a High Volume Private Well Owner who has satisfied the monthly data submission and verification requirements of Section 8.01 and who has been assigned an Annual Sustainable Yield Allocation by the Agency, thereby becoming eligible to participate in the Storage Container and transfer system established by this Ordinance.
- O. “Storage Credit” means the volume of water, measured in acre-feet, in a Storage Container (for Unused Pumping Credits) or in a Supplemental Water Storage Account that is added or depleted each Water Year.
- P. “Supplemental Recharged Water” means water that is artificially added to the groundwater basin through managed means, such as recharge of surface water, injection of treated drinking water, or recharge of recycled water directly into an aquifer.
- Q. “Supplemental Water Storage Account” or “Storage Account” means the accounting mechanism established by the Agency to track Supplemental Recharged Water separately from Unused Pumping Credits, allowing for differentiated rules.
- R. “Sustainable Yield” means the maximum quantity of water, calculated on an average annual basis, that can be withdrawn from the Subbasin or a Management Area over a

long-term period without causing an undesirable result, as determined in the GSP (Subbasin total approximately 10,980 AFY).

- S. “Transfer Fee” means a fee, if any, imposed by the Agency by resolution or ordinance to recover costs or fund purposes lawfully associated with the review, approval, administration, or implementation of a transfer under this Ordinance. The term does not include private consideration paid between transfer parties unless expressly stated by the Board.
- T. “Undesirable Results” means one or more of the effects described in Water Code § 10721(x) and further defined with specific Minimum Thresholds and Measurable Objectives in the GSP.
- U. “Unused Sustainable Yield” or “Unused Pumping Credits” means the positive difference between a Purveyor’s or Qualifying Private Well Owner’s Annual Sustainable Yield Allocation and their actual groundwater extraction in a given Water Year.
- V. “Water Year” means the twelve-month period beginning October 1 and ending September 30.

ARTICLE 2 – GOVERNANCE AND BOARD OPERATIONS

Section 2.01 - General

The governance provisions in this Article are intended to summarize and supplement the Agency’s governing agreement. In the event of any conflict between this Ordinance and the Agency’s Joint Powers Agreement or Memorandum of Agreement, the governing agreement shall control unless otherwise required by law.

Section 2.02 – Current Member Agencies and Participants

The Yucaipa Sustainable Groundwater Management Agency is governed by a Board of Directors composed of representatives from the following member organizations (“Member Agencies”):

- Retail Water Purveyors:
 - South Mesa Water Company,
 - South Mountain Water Company,
 - Western Heights Water Company, and
 - Yucaipa Valley Water District.
- Municipal Partner:
 - City of Yucaipa.
- Regional Water Agencies:
 - San Bernardino Valley Municipal Water District and
 - San Gorgonio Pass Water Agency.

Additional municipalities such as the City of Calimesa and City of Redlands participated in the original formation MOA and GSP development but have since withdrawn from active Board participation. The Agency shall maintain an up-to-date list of Member Agencies on its website.

Section 2.03 – Appointment of Representatives

Each Member Agency shall appoint one Primary Director and one Alternate Director to serve on the Board of Directors. Appointments shall be made by resolution of the governing body of the respective Member Agency. The resolution of appointment shall be provided to the Agency Secretary. Primary and Alternate Directors serve at the pleasure of their appointing agency.

Section 2.04 – Regular Board Meetings

Regular meetings of the Board of Directors shall be held quarterly during the months of January, April, July, and October. The specific day and time for each quarterly meeting shall be determined by the Board of Directors and noticed in accordance with the Ralph M. Brown Act. Special meetings may be called as needed.

Section 2.05 – Participation and Voting Procedures

The Primary Director and Alternate Director from each Member Agency are expected to actively participate in Board meetings to ensure continuity and informed decision-making. However, each Member Agency shall be entitled to cast only one vote on any matter before the Board. The Primary Director shall cast the organization’s vote. In the absence of the Primary Director, the Alternate Director may cast the vote.

ARTICLE 3 – SUSTAINABLE YIELD ALLOCATIONS AND MANAGEMENT AREAS

Section 3.01 – Management Areas

The four Management Areas established in the GSP are: North Bench, Calimesa, Western Heights, and San Timoteo. Management within each area shall consider local hydrogeologic conditions, existing infrastructure, groundwater-dependent ecosystems, and the potential for undesirable results specific to that area.

Section 3.02 – Sustainable Yield

The sustainable yield of the Yucaipa Subbasin has been determined in the GSP to be approximately 10,980 acre-feet per year on average. This determination represents the maximum long-term average annual extraction volume that can occur without causing undesirable results. The sustainable yield is allocated among the Management Areas approximately as follows (subject to refinement in future GSP updates):

- North Bench Management Area: approximately 3,940 AFY
- Calimesa Management Area: approximately 4,955 AFY
- Western Heights Management Area: approximately 1,760 AFY
- San Timoteo Management Area: approximately 325 AFY

Section 3.03 – Establishment of Annual Sustainable Yield Allocations

The Annual Sustainable Yield Allocations for Purveyors in each Management Area are hereby established as set forth in Table A. These allocations are derived from the GSP sustainable yield determinations. Allocations are subject to periodic review and adjustment by Board resolution or through GSP updates.

Table A: Annual Sustainable Yield Allocations for Purveyors and Private Well Owner

Management Area	Purveyor	Allocation (AFY)	Total Yield (AFY)
North Bench	Yucaipa Valley Water District	3,045	3,940
North Bench	Private Well Owners	895	
Calimesa	South Mesa Water Company	1,959	4,955
Calimesa	South Mountain Water Company	518	
Calimesa	Yucaipa Valley Water District	2,341	
Calimesa	Private Well Owners	137	
Western Heights	Western Heights Water Company	1,760	1,760
Western Heights	Private Well Owners	0	
San Timoteo	To be determined	Allocations to be established by Board resolution.	325

Allocations for High Volume Private Well Owners shall be established only after the Private Well Owner has satisfied the monthly data submission and verification requirements of Section 8.01. The Agency shall not calculate or credit Unused Sustainable Yield for a High Volume Private Well Owner until an Annual Sustainable Yield Allocation has been formally established pursuant to this Ordinance.

Section 3.04 – Updates and Adjustments to Allocations

Annual Sustainable Yield Allocations may be updated by the Board from time to time to reflect refinements from the five-year periodic evaluation of the GSP, new hydrologic data, model updates, permanent transfers or conversions, or other factors necessary to maintain consistency with SGMA and the GSP. Any update shall be adopted by Board resolution following public notice and hearing and shall not be applied retroactively unless expressly provided.

Section 3.05 - Allocation Methodology for High Volume Private Well Owners

The aggregate amounts shown in Table A for “All High Volume Private Well Owners” in each Management Area represent the maximum total Annual Sustainable Yield Allocation that may be assigned to all Qualifying High Volume Private Well Owners within that Management Area combined. These aggregate amounts constitute hard caps on private well allocations within each Management Area.

Individual Annual Sustainable Yield Allocations for Qualifying High Volume Private Well Owners shall be proposed by the Agency pursuant to Section 8.01(D) based on verified historical

production data or other Board-approved methodology. All such individual allocations are subject to the applicable aggregate cap for the Management Area.

If the total verified historical production (or other approved baseline) from all Qualifying High Volume Private Well Owners in a Management Area exceeds the aggregate cap shown for that Management Area, the Board may:

- A. Prorate the available allocation among qualifying applicants on an equitable basis;
- B. Apply another methodology that maintains consistency with the GSP sustainable yield determinations and sustainable management criteria; or
- C. Defer establishment of one or more allocations pending additional data, GSP updates, or further Board direction.

If the total verified claims from Qualifying High Volume Private Well Owners in a Management Area are less than the aggregate cap, the unused portion of the aggregate allocation shall remain available within that Management Area's sustainable yield for future Qualifying High Volume Private Well Owners. The Board may, by resolution and following public notice and hearing, reallocate any persistently unused portion of the private well aggregate to Purveyors within the same Management Area if doing so is consistent with the GSP and does not impair the ability of future qualifying private well owners to receive allocations.

For the San Timoteo Management Area, the approximately 325 AFY sustainable yield allocation established in the GSP shall be treated as a Management Area-level allocation until specific Purveyor and Qualifying High Volume Private Well Owner allocations are determined by Board resolution. No Storage Containers or Storage Accounts shall be established in the San Timoteo Management Area until such allocations are formally assigned. The Board shall determine the appropriate split between Purveyor and private well allocations, if any, based on verified historical use, GSP sustainable management criteria, and the needs of Groundwater Dependent Ecosystems within the area.

ARTICLE 4 – ESTABLISHMENT OF GROUNDWATER STORAGE CONTAINERS AND SUPPLEMENTAL WATER STORAGE ACCOUNTS

Section 4.01 – Establishment and Purpose

The Agency shall establish and maintain, within each Management Area, a Groundwater Storage Container and a separate Supplemental Water Storage Account for each Purveyor and each Qualifying Private Well Owner.

- A. Groundwater Storage Container. The Groundwater Storage Container shall be used exclusively for the accumulation, tracking, and storage of Unused Pumping Credits derived from a Purveyor's or Qualifying Private Well Owner's unused portion of its Annual Sustainable Yield Allocation. Each Groundwater Storage Container shall be subject to a maximum storage limitation equal to ten (10) times the account holder's annual allocation within the Management Area.

- B. Supplemental Water Storage Account. The Supplemental Water Storage Account shall be used exclusively for the accumulation, tracking, and storage of Storage Credits derived from Supplemental Water (including, but not limited to, imported surface water, treated drinking water, recycled water, and other water recharged into the basin through managed means). Supplemental Water Storage Accounts shall have no limitation on the total amount of Storage Credits that may be accumulated or carried over.

Each Groundwater Storage Container and Supplemental Water Storage Account shall be maintained as a distinct accounting record identifying the owner, the type of Storage Credits held, the accumulated balance, and all annual transactions affecting the balance.

Section 4.02 – Retroactive Establishment of Initial Balances

Groundwater Storage Containers and Supplemental Water Storage Accounts shall be established retroactively beginning with Water Year 2022 (October 1, 2021, through September 30, 2022) and for all subsequent Water Years. This retroactive period aligns with the adoption of the Groundwater Sustainability Plan on January 26, 2022, and provides consistent accounting from the first full Water Year under the GSP framework.

Within ninety (90) days of the adoption of this Ordinance, the Agency shall calculate and post initial balances for each Groundwater Storage Container and Supplemental Water Storage Account based on the best available extraction data, allocation records, and other relevant information.

Before any retroactive balance becomes final, the Agency shall provide each affected account holder with a written statement of the proposed balance, together with supporting documentation and an explanation of the data and methodology used. The account holder shall have forty-five (45) days from the date of the Agency's written statement to submit written objections and any supporting documentation or information.

The Board shall consider any timely objections and make a final determination regarding the retroactive balances. The Board's determination shall be provided in writing to the affected account holder and shall be final. The Agency shall update the affected Groundwater Storage Containers and Supplemental Water Storage Accounts to reflect the Board's final determination.

Section 4.03 – Volume Limitations

- A. The maximum volume for each Purveyor's or High Volume Private Well Owner's Storage Container (Unused Pumping Credits) shall be ten (10) times their Annual Sustainable Yield Allocation in the applicable Management Area. The ten (10) times multiplier is a maximum accounting balance only and does not constitute a right, entitlement, or guarantee of future extraction. Storage Credit balances are accounting entries that track unused sustainable yield; they do not represent a vested interest in groundwater or a permitted extraction volume. The Agency may restrict, condition, or deny utilization or transfer of Storage Credits at any time if such action is necessary to maintain consistency with the rolling five-year extraction limitation required by Water Code Section 10726.4(a)(4), to avoid undesirable results, or to protect sustainable management criteria within a Management Area, even if the account holder's Storage Container balance is below the ten (10) times cap.

- B. Supplemental Water Storage Accounts shall have no volume limitation, as they represent actual water physically recharged into the basin.
- C. The Agency may adjust caps in the future based on updated sustainable yield determinations, GSP periodic evaluations, or hydrologic conditions, following public process.

ARTICLE 5 – STORAGE CREDIT ACCUMULATION

Section 5.01 – General Rule

Storage Credits shall accrue on a one-to-one basis: one (1) acre-foot of Unused Sustainable Yield equals one (1) acre-foot of Storage Credit. Credits have no expiration date provided the owner remains in good standing and complies with all GSP requirements, this Ordinance, and Agency regulations.

Section 5.02 – Accumulation for Purveyors

When a Purveyor’s actual annual groundwater extraction within a Management Area is less than its Annual Sustainable Yield Allocation, the positive difference shall be automatically credited to that Purveyor’s Storage Container at the end of each Water Year upon reconciliation of extraction reports.

Section 5.03 – Accumulation for High Volume Private Well Owners

A Qualifying Private Well Owner may accumulate Storage Credits in their Storage Container only after an Annual Sustainable Yield Allocation has been established pursuant to Section 8.01 and the Private Well Owner continues to satisfy all ongoing data submission requirements. When a Qualifying Private Well Owner’s actual annual groundwater extraction within a Management Area is less than their Annual Sustainable Yield Allocation, the positive difference shall be credited to their Storage Container at the end of each Water Year upon reconciliation of extraction reports and confirmation of ongoing eligibility.

The maximum Storage Credit balance in a Qualifying Private Well Owner’s Storage Container shall not exceed ten (10) times their Annual Sustainable Yield Allocation for that Management Area. Accumulation is subject to ongoing compliance with all metering, monthly data reporting, and other requirements of this Ordinance.

Section 5.04 – Accumulation for Supplemental Water Storage Accounts

Supplemental Recharged Water added to a Management Area shall be credited on a one-to-one basis to the applicable Supplemental Water Storage Account. A one-time loss factor of one percent (1%) shall be applied only to Supplemental Recharged Water introduced through surface spreading or percolation basins to account for evaporative losses. No loss factor shall be applied to Supplemental Recharged Water introduced through subsurface injection unless otherwise determined by the Board. Supplemental Water Storage Accounts shall have no volume cap or expiration.

ARTICLE 6 – UTILIZATION OF STORAGE CREDITS AND GROUNDWATER EXTRACTION

Section 6.01 – Conditional Authorization to Utilize Storage Credits

Purveyors and Qualifying Private Well Owners may utilize previously accrued Storage Credits from their Storage Container or Storage Account to extract groundwater in excess of their Annual Sustainable Yield Allocation in any Water Year, subject to the limitations and conditions of this Ordinance and consistency with the GSP.

Section 6.02 – Extraction Priority Hierarchy

To protect the long-term sustainability of the resource, the priority of groundwater extractions shall be strictly observed:

- A. First Source: The Annual Sustainable Yield Allocation for the current Water Year;
- B. Second Source: Unused Sustainable Yield previously placed in a Storage Container as Storage Credits;
- C. Third Source: Supplemental Recharged Water in a Storage Account.

Section 6.03 – Utilization Limits and Conditions

- A. Utilization of Storage Credits shall be on a one-to-one basis.
- B. The Agency may temporarily restrict or condition utilization of Storage Credits in a Management Area if monitoring data indicate that continued extraction at proposed levels could lead to undesirable results, violate Minimum Thresholds, or create an unreasonable risk of impairing sustainable management of the Subbasin. The Agency shall document the basis for any such restriction in its records and in the applicable annual report.
- C. Notwithstanding any accumulated Storage Credit balance, no Purveyor or Qualifying High Volume Private Well Owner may utilize or transfer Storage Credits in a manner that would cause total groundwater extraction by the person or entity within the applicable Management Area over any rolling five-year period to be inconsistent with the GSP, the sustainable management criteria, or Water Code Section 10726.4(a)(4). The Agency shall evaluate compliance with the rolling five-year consistency requirement annually as part of the preparation of the annual report to the Department of Water Resources. The Agency may deny, condition, defer, or reduce proposed Storage Credit utilization or transfer at any time to maintain such consistency, to respond to Management Area conditions, or to avoid the risk of undesirable results, even if the account holder has accumulated Storage Credits within the ten (10) times cap established in Section 4.03. Storage Credit balances are accounting tools only and do not create any right to extract groundwater. This limitation is in addition to, and does not limit, the provisions of Section 13.05 (No Creation of Property Rights).

ARTICLE 7 – TRANSFERS OF STORAGE CREDITS AND SUPPLEMENTAL WATER

Section 7.01 – Transfer Authority and Limitations

Storage Credits and Supplemental Recharged Water may be transferred only between two parties within the same Management Area, subject to the following permitted combinations:

- A. Between two Purveyors;
- B. Between a Purveyor and a Qualifying Private Well Owner; or
- C. Between two Qualifying Private Well Owners.

All transfers must comply with this Article and be consistent with Water Code Section 10726.4. Transfers shall not cause or contribute to undesirable results. Transfers do not permanently alter base Annual Sustainable Yield Allocations unless part of a conversion under Article 8.

The transfer rules and procedures set forth in this Article apply equally to transfers of Storage Credits held in Groundwater Storage Containers and to water held in Supplemental Water Storage Accounts. Except as otherwise expressly provided in this Ordinance, both types of stored water are subject to the same eligibility requirements, limitations, procedures, and restrictions.

Section 7.02 – Transfer Procedures

- A. The two parties to a proposed transfer shall submit a signed transfer document to the Agency specifying the quantity (in acre-feet), the effective date agreed upon by the parties, and confirmation that the transfer is within the same Management Area. There is no requirement to disclose the consideration or private terms between the parties.
- B. Transfers shall be processed administratively by the Agency. If the transfer complies with all applicable requirements, the Agency shall record the transfer and it shall be effective on the date agreed upon by the parties. The Agency shall document the transfer in writing and update the affected Storage Containers and Storage Accounts accordingly.
- C. A summary of all transfers shall be included in the Agency's annual report to the Department of Water Resources and made available for public review upon request. The Board shall be notified of transfers through this reporting process.

Section 7.03 – Transfer Fee and Administrative Costs

A flat administrative fee of Five Hundred Dollars (\$500) shall be charged for each transfer to recover the Agency's costs of processing transfers under this Article. This fee shall be paid at the time the transfer document is submitted to the Agency. The Board may modify the amount of this administrative fee by resolution at any time.

ARTICLE 8 – PRIVATE WELL OWNER DATA REQUIREMENTS, ELIGIBILITY, AND CONVERSION

Section 8.01 – Monthly Data Submission Requirements for Private Well Owners to Establish an Annual Sustainable Yield Allocation

A Private Well Owner who extracts more than ten (10) acre-feet of groundwater per year and who wishes to have an Annual Sustainable Yield Allocation established and to participate in the Storage Container system under this Ordinance shall satisfy the following requirements:

- A. The Private Well Owner shall install and maintain Agency-approved, calibrated flow meters on all active groundwater extraction facilities within the Yucaipa Subbasin.
- B. The Private Well Owner shall submit monthly groundwater production data to the Agency for a minimum period of twenty-four (24) consecutive months in a format, frequency, and manner prescribed by the Agency. The twenty-four (24) month period shall be complete and verified before any Annual Sustainable Yield Allocation may be established for that Private Well Owner.
- C. All submitted data shall be subject to verification by the Agency or its designee. The Agency may require supporting documentation, including meter calibration records, photographs of meter readings, or independent third-party verification, as a condition of accepting the data as a baseline for allocation purposes.
- D. Upon satisfactory verification of the twenty-four (24) consecutive months of data, the Agency shall use the verified production data (or such methodology as the Board may approve, including a rolling average) as the primary baseline to propose an Annual Sustainable Yield Allocation for the Private Well Owner. Any proposed allocation shall be subject to Board approval and shall be consistent with the sustainable yield of the applicable Management Area and the overall requirements of the GSP. Any proposed allocation shall be subject to Board approval, the aggregate cap for the applicable Management Area under Section 3.05, and overall consistency with the sustainable yield determinations and sustainable management criteria of the GSP.
- E. A Private Well Owner must continue to submit monthly production data to the Agency after the initial twenty-four (24) month period in order to maintain eligibility to accumulate Storage Credits and to have ongoing calculations of Unused Sustainable Yield performed.
- F. The Agency may deny, suspend, or adjust a proposed or existing Annual Sustainable Yield Allocation if the submitted data is determined to be incomplete, inconsistent, unreliable, or indicative of intentional inflation of production volumes. The Board retains final authority over the establishment and adjustment of any Annual Sustainable Yield Allocation for Private Well Owners under this Ordinance.

Section 8.02 – Metering and Reporting for Private Well Owners

All High Volume Private Well Owners shall install and maintain Agency-approved flow meters or equivalent measurement devices on extraction facilities in accordance with Water Code § 10725.8. Monthly or annual production data shall be submitted as required for GSP reporting and, for Qualifying Private Well Owners, to maintain eligibility under Section 8.01. The Agency may provide technical assistance or cost-sharing for meter installation where feasible.

Section 8.03 – Conversion of Private Well Owner to Purveyor Service

- A. The Agency recognizes that the permanent conversion of a Private Well Owner to a Purveyor's water service system promotes consolidated management, reduces the number of individual wells, improves water quality oversight, and supports the sustainable yield framework established in the GSP.
- B. Upon receiving written confirmation of a proposed conversion, the receiving Purveyor's Annual Sustainable Yield Allocation in the relevant Management Area shall be permanently increased by the average annual groundwater extraction volume of the converting Private Well Owner, subject to Agency verification. This increase shall be offset by a corresponding reduction in the aggregate allocation available to Qualifying High Volume Private Well Owners in that Management Area, so that the total allocation for the Management Area remains consistent with the amounts established in Table A.
- C. Any unused Storage Credits held by the converting Private Well Owner in a Storage Container shall be extinguished upon completion of the conversion and shall not be transferred to the Purveyor or to any other party, unless the converting Private Well Owner and the Purveyor enter into a separate written agreement approved by the Agency providing for the transfer of such credits. In the absence of such an approved agreement, all Storage Credits shall be extinguished.
- D. As a condition of the allocation increase, the converting Private Well Owner's well shall be properly decommissioned in accordance with applicable County well standards and any additional requirements imposed by the Agency. Decommissioning may include destruction of the well or permanent sealing in a manner that prevents future groundwater extraction. The well shall not be placed on standby or otherwise retained for future use.
- E. The conversion shall be documented by a written agreement between the converting Private Well Owner and the receiving Purveyor. The agreement shall include, at a minimum:
 - 1. The verified average annual extraction volume being transferred;
 - 2. Confirmation that the well will be decommissioned;
 - 3. Acknowledgment that the allocation increase is permanent;
 - 4. Acknowledgment that the well may not be reactivated for groundwater extraction without Agency approval and corresponding adjustment to allocations; and
 - 5. Any separate agreement regarding the disposition of Storage Credits, if applicable.
- F. Upon completion of the conversion and verification of well decommissioning, the converting Private Well Owner's production shall be permanently removed from any Storage Container and from eligibility to hold or accumulate Storage Credits under this Ordinance.
- G. Except as provided in a separate written agreement approved by the Agency, a converted well may not be reactivated for groundwater extraction.

ARTICLE 9 – MONITORING, REPORTING, AND DATA MANAGEMENT

Section 9.01 – Metering Requirements

All Purveyors and High Volume Private Well Owners shall install, calibrate, and maintain flow meters or other Agency-approved water measuring devices on groundwater extraction facilities as required by Water Code § 10725.8 and GSP monitoring protocols. Meters shall be accessible for Agency inspection.

Section 9.02 – Annual Extraction Reports

Purveyors and High Volume Private Well Owners (or their authorized representative) shall submit annual extraction reports to the Agency no later than October 31 of each year, detailing actual groundwater extractions for the preceding Water Year by well or facility, in a format prescribed by the Agency. Reports shall support reconciliation of Storage Container balances.

Section 9.03 – Agency Recordkeeping and Transparency

The Agency shall maintain accurate, up-to-date records of all Storage Container and Storage Account balances, transactions, transfers, and extraction data. Such information shall be included in the Agency's annual reports to DWR and made available for public review on the Agency website, subject to appropriate redactions for privacy or security.

Section 9.04 – Audits and Verification

- A. The Agency shall conduct periodic audits of extraction data, meter readings, Storage Container activities, and related records to verify compliance with this Ordinance and the GSP. Purveyors and Qualifying Private Well Owners shall cooperate fully with audits and shall provide the Agency with reasonable access to records and facilities upon written notice.
- B. In connection with audits, reporting, and public disclosure, the Agency shall handle data in a manner consistent with the California Public Records Act (Government Code § 7920.000 et seq.), applicable exemptions, privacy and security considerations, and the need to protect sensitive information. The Agency may aggregate data and apply appropriate redactions where permitted by law.
- C. Nothing in this Section shall limit the Agency's authority to use individual data for internal compliance, enforcement, modeling, or GSP implementation purposes, provided such use is consistent with applicable law.

ARTICLE 10 – FEES, ASSESSMENTS, AND COST RECOVERY

Section 10.01 – Administrative Fees

The Agency may establish reasonable administrative fees for the maintenance of Storage Containers and Accounts, processing of transfers, well registration, audits, and other costs

incurred in implementing this Ordinance, consistent with its fee authority under SGMA (Water Code §§ 10730 et seq.) and applicable constitutional requirements.

Section 10.02 – Transfer Fee

A flat administrative fee of Five Hundred Dollars (\$500) shall be charged for each transfer pursuant to Article 7. This fee is subject to modification by Board resolution.

Section 10.03 – Other Fees and Assessments

Nothing in this Ordinance limits the Agency’s authority to impose or collect other fees, assessments, or charges authorized by SGMA or other law for groundwater management, replenishment, or administration, provided such fees are adopted following required procedures and findings.

ARTICLE 11 – CONSISTENCY WITH THE GROUNDWATER SUSTAINABILITY PLAN AND THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

Section 11.01 – Consistency Requirement

This Ordinance and all actions taken hereunder are designed to support and enhance the sustainable management objectives of the GSP. The total quantity of groundwater extracted under this Ordinance shall at all times remain consistent with the sustainable yield determinations, measurable objectives, minimum thresholds, and undesirable results criteria established in the GSP.

Section 11.02 – Support for Five-Year Periodic Evaluation

The Storage Container system and related provisions established herein are intended to provide data, operational experience, and management tools that will inform and strengthen the Agency’s required five-year periodic evaluation of the GSP (anticipated 2027). The Agency shall document implementation progress, Storage Credit balances by Management Area, transfer activity, private well conversions, and any observed basin responses in annual reports and the periodic evaluation.

Section 11.03 – Adaptive Management

The Agency reserves the right to modify storage limits, utilization caps, allocation methodologies, eligibility criteria for Qualifying Private Well Owners, or other provisions of this Ordinance based on updated sustainable yield determinations, changing hydrologic or climatic conditions, new scientific information, or requirements arising from GSP updates or DWR review. Modifications shall be adopted by Board resolution or ordinance amendment following public notice and hearing and shall not be applied retroactively unless expressly authorized and justified.

ARTICLE 12 – IMPLEMENTATION

Section 12.01 – Authorization to Implement

The Agency’s Administrative Consultant, or General Manager if one is appointed, is hereby authorized and directed to develop and implement all procedures, forms, applications, accounting protocols, data management systems, and outreach necessary to effectuate this Ordinance.

Section 12.02 – Implementation Manual

Within one hundred eighty (180) days of adoption of this Ordinance, the Administrative Consultant shall prepare and present to the Board an Implementation Manual that includes, at minimum: (1) detailed accounting procedures and sample calculations for Storage Containers and Accounts; (2) projected maximum Storage Container balances by Management Area under current allocations; (3) status update on the private well inventory and registration program, including the process for Qualifying Private Well Owners; (4) forms for extraction reports, transfer applications, and conversion requests; (5) a summary technical memorandum evaluating potential basin impacts of the Storage Container system consistent with the GSP model and sustainable management criteria; and (6) a public outreach and education plan for Purveyors and private well owners.

Section 12.03 – Coordination and Reporting

Implementation shall be coordinated with the GSP’s existing monitoring network, data management system, and annual reporting obligations to DWR. The Administrative Consultant shall provide regular updates to the Board on implementation status, Storage Credit balances, and any issues requiring policy attention.

ARTICLE 13 – MISCELLANEOUS PROVISIONS

Section 13.01 – Severability

If any provision of this Ordinance, or the application thereof to any person or circumstance, is held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this Ordinance are severable.

Section 13.02 – Amendment

This Ordinance may be amended by majority vote of the Board following proper notice and public hearing procedures required under the Ralph M. Brown Act and any applicable SGMA or Agency requirements. Amendments to this Ordinance shall be adopted by ordinance.

Section 13.03 – Effective Date

This Ordinance shall take effect and be in full force and effect thirty (30) days after its adoption, or on such earlier or later date as may be specified by the Board consistent with legal requirements.

Section 13.04 – Posting and Availability

A certified copy of this Ordinance shall be posted on the Agency’s official website (www.yucaipasgma.org). The Agency shall provide copies to Purveyors and shall conduct outreach to private well owners regarding registration, eligibility requirements for Qualifying Private Well Owners, and compliance requirements.

Section 13.05 – No Creation of Property Rights

Storage Credits, allocations, and accounting mechanisms established under this Ordinance are administrative tools created to implement the GSP and SGMA. They do not create vested property rights, entitlements to water, or guarantees of future allocations. All rights and accounting are subject to the continuing authority of the Agency, SGMA, and the GSP to protect the sustainability of the groundwater resource. Without limiting the generality of the foregoing, Storage Credit balances, the ten (10) times cap, and the utilization of Storage Credits are further subject to the specific limitations and authorities set forth in Sections 4.03 and 6.03.

Section 13.06 – Relationship to Other Laws

This Ordinance is intended to supplement, not replace or conflict with, other applicable federal, state, or local laws, regulations, or Agency policies. In the event of any conflict, SGMA and the GSP shall control to the extent required by law.

Section 13.07 – Relationship Between Ordinances and Resolutions

- A. The Board may adopt, amend, or repeal ordinances to establish, modify, or eliminate substantive rules, policies, rights, obligations, or procedures under this Ordinance. Ordinances shall be adopted, amended, or repealed only in accordance with applicable legal requirements, including proper notice and public hearing procedures.
- B. The Board may adopt resolutions to implement, administer, or provide specific direction regarding the provisions of this Ordinance. Resolutions are appropriate for, but not limited to, the following actions:
 - 1. Establishing, adjusting, or updating specific Annual Sustainable Yield Allocations or aggregate allocation amounts within a Management Area;
 - 2. Setting, modifying, or waiving administrative fees, including Transfer Fees and other cost-recovery charges;
 - 3. Approving specific procedures, forms, or technical methodologies necessary to implement this Ordinance;
 - 4. Making findings or determinations required under this Ordinance on a case-by-case or periodic basis; and
 - 5. Providing policy direction or guidance on the implementation of adaptive management measures consistent with Section 11.03.

- C. A resolution adopted by the Board shall not amend, modify, or conflict with any provision of this Ordinance. In the event of any conflict between a resolution and this Ordinance, the Ordinance shall control.
- D. Unless otherwise required by law or this Ordinance, resolutions may be adopted at a properly noticed meeting of the Board without the formal notice and hearing requirements applicable to the adoption or amendment of ordinances.

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PASSED AND ADOPTED

This Ordinance No. 2026-01 was passed and adopted at a regular meeting of the Board of Directors of the Yucaipa Sustainable Groundwater Management Agency held on the ____ day of _____, 2026, by the following roll call vote:

Entity	Director(s)	Vote (Aye / No / Abstain / Absent)
South Mesa Water Company		
South Mountain Water Company		
Western Heights Water Company		
Yucaipa Valley Water District		
City of Yucaipa		
San Bernardino Valley Municipal Water District		
San Gorgonio Pass Water Agency		

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

YUCAIPA SUSTAINABLE GROUNDWATER MANAGEMENT AGENCY

By: _____
Mark Iverson, President

ATTEST:

Joseph B. Zoba, Secretary

~ ~ END OF ORDINANCE ~ ~

