

**RULES AND REGULATIONS FOR
THE TRANSFER OF GROUNDWATER ALLOCATIONS**

Adopted: January 1, 2026

**ARTICLE I
GENERAL PROVISIONS**

1.01 Authority. The Cuyama Basin Groundwater Sustainability Agency (**GSA**) may adopt rules, regulations, ordinances, and resolutions for the purpose of implementing the Sustainable Groundwater Management Act (**SGMA**), in compliance with any procedural requirements applicable to the adoption of such rule, regulation, ordinance, or resolution by the GSA. (Wat. Code, § 10725.2, subd. (b).)

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

1.03 Groundwater Sustainability Plan. The intent of these Rules and Regulations is to implement the provisions of the GSA’s Groundwater Sustainability Plan (**GSP**). These Rules and Regulations may be amended at any time, as deemed necessary by the GSA’s Board of Directors (**Board**), to achieve consistency with that GSP and groundwater sustainability within the GSA’s boundaries.

1.04 Effective Date and Amendments Hereto. These Rules and Regulations shall become effective upon adoption by the Board, and may be added to, amended and/or repealed at any time by later resolution of the Board with any such additions, amendments, and/or repeals becoming effective upon adoption of the resolution, or as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 of the GSA’s policies existing as of the date the Board adopts these Rules and Regulations.

1.05 Actions Against the GSA. Nothing contained in these Rules and Regulations may be deemed a waiver by the GSA or estop the GSA 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.

1.06 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.

**ARTICLE II
TRANSFER OF GROUNDWATER ALLOCATION**

2.01 Transfer of Groundwater Allocation. A landowner may transfer its groundwater allocation to another landowner, subject to the following terms and conditions:

- a. The transferring-landowner and the receiving-landowner shall each hold title to real property located within the 2025 – 2029 Central Management Area (including those parcels of real property made part of the Central Management Area via the creation of a Farming Unit), as that area is depicted in the map attached hereto and incorporated herein as **Exhibit A**.

- b. The transferring-landowner and the receiving-landowner shall each be in good standing with the GSA. “Good standing” means the landowner does not owe any outstanding fee or penalty to the GSA and is up to date with any and all applicable reporting requirements (e.g., groundwater extraction facility registration; groundwater extraction reporting; etc.).
- c. The transferred groundwater allocation shall be used solely within the Central Management Area.
- d. The transfer shall terminate on or before December 31, 2029.
- e. The transfer shall not cause an exceedance of any Minimum Threshold, as that term is defined within the GSP (as may be amended from time to time) as determined by GSA staff.
- f. The transfer shall be memorialized in writing using the Groundwater Allocation Transfer Form attached hereto and incorporated herein as **Exhibit B** and submitted to the GSA. If the transferring-landowner is party to a Farming Unit, as recognized by the GSA, each landowner party to that Farming Unit must execute the previously mentioned Groundwater Allocation Transfer Form.

2.02 Process. Upon submission of the Groundwater Allocation Transfer Form, the GSA staff shall review the transfer to ensure compliance with these Rules and Regulations. Within 30 days of submission, the GSA staff shall inform the participating landowners of its findings approving the transfer, denying the transfer, or requesting additional information regarding the transfer. If the GSA staff denies the transfer, the participating landowners may appeal the decision to the Board. The Board’s decision shall be final.

2.03 Carryover of Groundwater Allocation Prohibited. If a landowner uses less than its allocation, including any additional amounts received via transfer, during any particular year (i.e., January 1 through December 31), that landowner may not carryover any such unused portion to the next year.

ARTICLE III ACKNOWLEDGMENT OF THE PARTICIPATING PARTIES

3.01 Acknowledgment of the GSA’s Ongoing Authority. The Board has the authority to implement adaptive management actions at any time based on changing conditions within the Basin. The GSA will continue to monitor representative wells and Basin conditions. If data indicates that a previously approved transfer is contributing to one or more Undesirable Results including, but not limited to, the exceedance of Minimum Thresholds, the GSA may take corrective

action. Such corrective actions include but not limited to restricting pumping, modifying allocations, or suspending future transfers as necessary to protect the sustainability of the Basin.

ARTICLE IV PENALTIES AND FEES

4.01 Failure to Comply. The GSA shall not recognize or otherwise account for any transfer not memorialized using the GSA's Groundwater Allocation Transfer Form and approved by the GSA, as set forth herein.

4.02 SGMA Penalties. Upon violation of any provision of these Rules and Regulations by a landowner, the GSA shall impose a penalty of \$1,000, plus \$100 for each additional day upon which the violation continues if the landowner fails to comply within 30 days after being made aware of the violation by the GSA. Notwithstanding the foregoing, the GSA 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.

EXHIBIT A

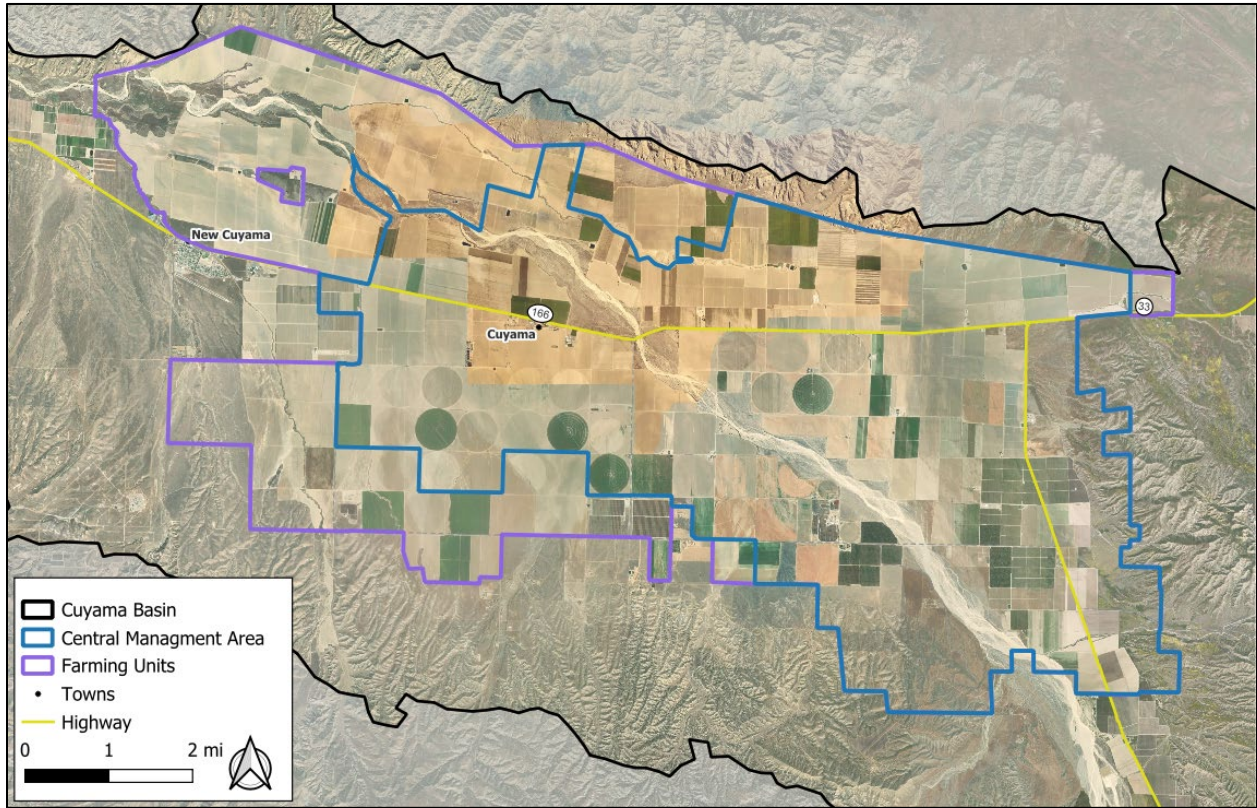


EXHIBIT B

GROUNDWATER ALLOCATION TRANSFER FORM

(For Landowner Use)

Instructions: If you're interested in transferring a groundwater allocation, complete the following form and submit the signed form to tblakslee@hgcpm.com for CBGSA review. GSA Staff will provide determination regarding transfer requests within 30 days.

Name of Transferring-Landowner: _____

Parcels from which the Allocation is Leaving: _____

Name of Receiving-Landowner: _____

Parcels to which the Allocation is Going: _____

Please refer to the map in Attachment 1 to indicate parcel locations.

Amount of Water Being Transferred: _____

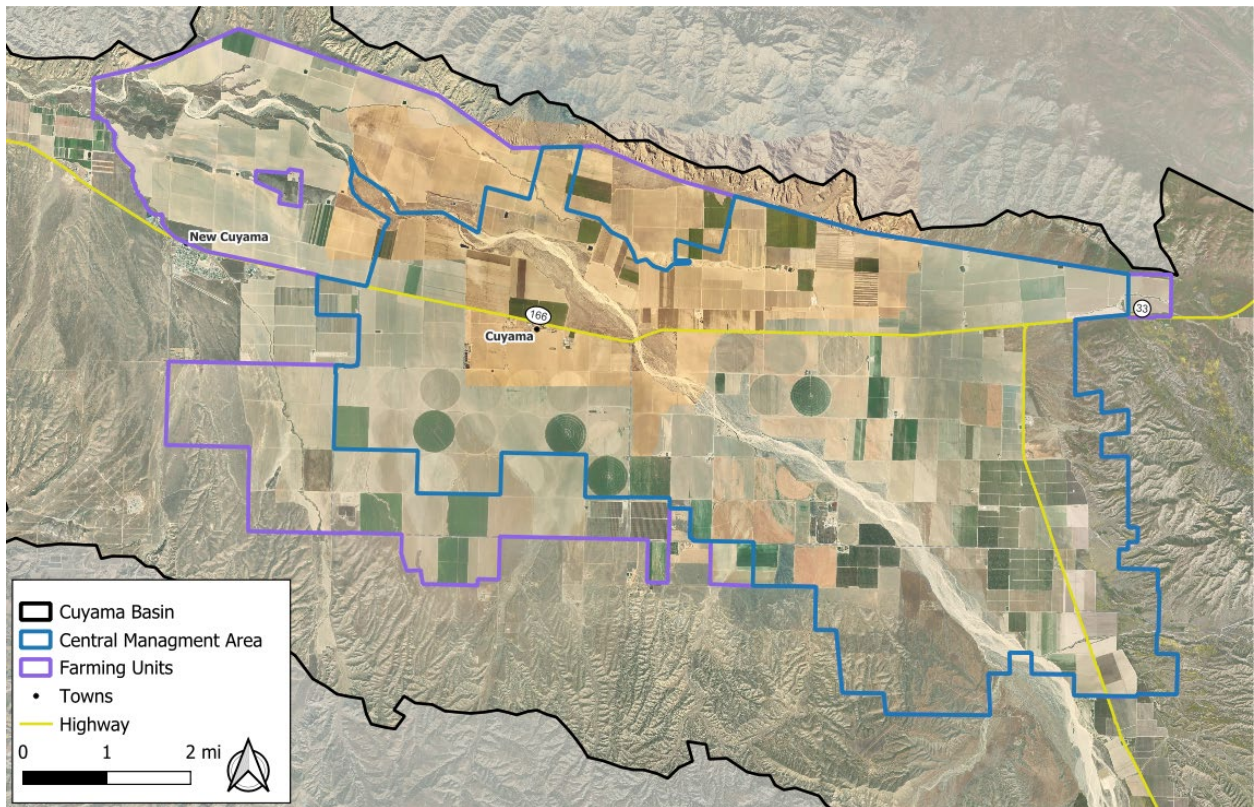
Term of Transfer: _____

Signature of Transferring-Landowner: _____

Signature of Receiving-Landowner: _____

ATTACHMENT 1

Map Instructions: Please indicate with an “X” where the transferred water is leaving and going.



GROUNDWATER ALLOCATION TRANSFER FORM, CONTINUED

(For Cuyama Basin GSA Staff Use)

Name of Transferring-Landowner: _____

Name of Receiving-Landowner: _____

Date Form Received: _____

1. Does the transferring-landowner hold title to real property within the CMA?

YES NO

2. Does the receiving-landowner hold title to real property within the CMA?

YES NO

3. Is the transferring-landowner in good standing with the GSA?

YES NO

If "NO," what corrective action is needed on part of the transferring-landowner?

4. Is the receiving-landowner in good standing with the GSA?

YES NO

If "NO," what corrective action is needed on part of the receiving-landowner?

5. Is the transferred groundwater allocation proposed for use solely within the CMA?

YES NO

6. Does the transfer terminate on or before December 31, 2029?

YES NO

7. Will the transfer cause any Undesirable Results?

YES NO

If "YES," please explain: _____

THIS TRANSFER IS HEREBY:

APPROVED

DENIED

ADDITIONAL INFORMATION/CORRECTIVE ACTION NEEDED: _____
