

Table 2.

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Authority	FWA	FWA believes that the cited authority to bank water should be provisions contained within the contract that allows for banking.	In addition to the CVPIA authority, Reclamation added additional language citing contract language.
	DEID	The appropriate authority for those with 9(d) contracts, such as DEID, is contained within section 3d of that contract rather than CVPIA. The cited reference should be our contract and not CVPIA.	In addition to the CVPIA authority, Reclamation added additional language citing contract language.
	GWD	GWD believes that the criteria exceed Reclamation's clear authority under the CVPIA to engage in groundwater banking and run counter to the mandate in CVPIA to operate the CVP to meet the purposes of CVPIA.	Reclamation sought a solicitor's opinion on the authority to bank CVP Water. It was concluded in 2007, and cited as such in these Guidelines, that Reclamation has the authority to allow the banking of CVP Water.
Applicability	FWA	Reference to non-storable flood flows is unclear. The paragraph implies that the reference to "non-storable flood flows" is unclear. The paragraph implies that all non-storable flood flows are CVP water and, therefore, subject to these criteria. Although that is the case if the water is characterized as Section 215 water, there have been times when flood flows have been made available to CVP contractors and non-CVP contractors without attribution as CVP water. These criteria should not create a new category of CVP water nor adversely impact any district's ability to use non-CVP water consistent with California water law. If this paragraph is intended to apply only to Section 215 water, it should so specify.	It is not Reclamation's intent to create new categories of CVP water. Language referring to non-storable flood flows was removed.
	SJWD, SSWD, CR, CF	<p>The Draft Criteria discourage local and regional banking programs that can store similar volumes of water through direct injection facilities or by in-lieu usage. Local groundwater banks have the ability to store large volumes of water and that water is accessible through the use of existing infrastructure. Banking groundwater in storage banks like those listed in Appendix A, outside the region, does not provide the flexibility required for local agencies to increase their water supply reliability.</p> <p>Reclamation's Draft Criteria specifically state that they will not apply to district-specific banking, but leave regional banking programs in limbo and does not facilitate contractors' ability to store groundwater within local/regional banks that are outside of their specific service area. Reclamation needs to further recognize and address how multiple jurisdiction storage will be handled.</p>	<p>Reclamation differentiates between banking CVP Water outside of a Contractor's Contract Service Area and in-district recharge or conjunctive use programs. If a Contractor recharges or banks their CVP water within their own Contract Service Area, Reclamation is not considering this a program that is subject to these Guidelines. Once a Contractor recharges their CVP Water within their own Contract Service Area, Reclamation does not require accounting for this water.</p> <p>Any Contractor banking their CVP Water outside of their Contract Service Area must do so in an Acknowledged Bank. To become an Acknowledged Bank, the Bank must work with their local Reclamation Area Office to provide the necessary information for becoming an Acknowledged Bank.</p>

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Applicability (continued)	DEID	Suggested Clarification: These Criteria do not apply to annual transfers and exchanges between CVP Contractors previously authorized under executed long-term contracts.	Similar language as that suggested was added in the applicability section.
Purpose	FWA	The third sentence states, in pertinent part: "These Criteria set forth the standards under which Reclamation may approve banking and recovering of CVP Water..." (emphasis added). If a banking arrangement meets the Criteria then this should say "will approve..." If there are other standards to be met that are not part of this Criteria those standards should be a part of this criteria and if these criteria comprise all of the standards for approval, Reclamation should not still have the discretion to deny the banking opportunity.	Reclamation reserves the right to either approve or not approve a banking action of CVP Water. Banking actions are highly varied and diverse, and Reclamation cannot anticipate all scenarios or possible issues that need resolution before approval.
	DEID	Would suggest that this should be "will" rather than "may". If we meet the banking criteria, what is left for Reclamation to use as the basis of withholding approval? Contractors need assurance of the rules that we must follow before investing in expensive banking projects. Unneeded discretion with regard to standards and approval will not be conducive to developing new banking programs.	
	FWA	Banking is considered a beneficial use. Suggested change: These Criteria provide consistency for Reclamation's approval of CVP Water being banked in groundwater banking facilities for later beneficial use.	Reference to beneficial use was removed.
Definitions	FWA	Conjunctive Use-The last sentence is not necessary and should be deleted. Recharge for general use by overlying landowners is not defined as "banking". That is simply groundwater recharge, which itself is a beneficial use under California water law.	The last sentence in the conjunctive use definition was deleted.
	FWA	The definitions should all be consistent with or, where applicable, identical to water service and repayment contract language.	Where applicable, all definitions are copied verbatim from Reclamation contracts.
	FWA	This implies that non-project water becomes CVP water when conveyed and delivered. Is that the intention?	This is the same definition that appears in Reclamation contracts.
	FWA	Suggested changing the word "year" to "period" for Groundwater Banking definition.	Change incorporated.
	GWD	The draft criteria confusingly define "Contractor" as including non-CVP contractors.	This definition was edited to read: A party having a contract with the United States for the use of CVP Water pursuant to Federal Reclamation law.
	MFFT	Bank operator is not defined within the document. The differentiation between Contractor and Bank Operator is the important issue.	A definition for a Bank Operator was added.

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Definitions (continued)	SJWD, SSWD, CR, CF	The Draft Criteria's definition of "CVP Water" is ambiguous and may include both CVP water and water delivered by Reclamation pursuant to water rights that are senior to the CVP's permits which Reclamation is subject to by law and contract. Reclamation should clarify whether its groundwater banking criteria will apply to water delivered pursuant to a contractor's senior water rights. A similar issue was raised with respect to Reclamation's guidelines on water transfers, and Reclamation subsequently clarified that the transfer guidelines do not apply. The Purveyors are seeking the same clarification on the Draft Criteria on water banking.	The CVP Water Definition is the same definition that appears in several Reclamation contracts. Under the applicability section, it states that "These Guidelines do not apply to within-district conjunctive use, to a Contractor banking its CVP Water within its Contract Service Area, to annual transfers and exchanges between CVP Contractors, previously authorized transfers and exchanges under executed long-term contracts, or the banking of non-CVP water, or water acquired under a Contractor's own water right."
	FWA	Suggested striking the last sentence "Ground water recharge occurs either naturally as the net gain from precipitation, or artificially as the result of human influence" from the Recharge definition.	Definition was revised to reflect comments from FWA, SJWD,SSWD, CR, and CF.
	SJWD, SSWD, CR, CF	Recharge from precipitation: There are many ways for groundwater to be recharged. It would be better to reference recharge as occurring naturally or artificially.	Definition was revised to reflect comments from FWA, SJWD,SSWD, CR, and CF.
Criteria-General	FWA	The term "annual allocation" is not used in the Friant Division 9(d) repayment contracts, nor is it defined in these criteria. . In the case of the Friant Division, whether that term means the final declared Class 1 and Class 2 supply or whether it is intended to include water purchased under Section 215 or made available under Settlement Stipulation Paragraph 16(b)(2) (also known as RWA \$10 water), is unclear	This language was removed from the Guidelines. Reclamation recognizes that there are types of CVP water that do not play into a contractors "allocation" or the water made available to the contractor under a water service or repayment contract.
	DEID	<p>Within Friant, a wet year can yield water supplies that are available and can be taken by a contractor that when totaled are in excess of their contract supplies. The term "annual allocation" is not one used in our 9d contracts. The term and the concept should be eliminated from the criteria.</p> <p>Suggested change: To bank CVP Water, a Contractor must have a contract that permits banking, the water to be banked must be in excess of to the Contractor's current year needs but not in excess of their annual allocation (as demonstrated by Contractor and approved by Reclamation), and is subject to the following provisions.</p>	This language was removed from the Guidelines. Reclamation recognizes that there are types of CVP water that do not play into a contractors "allocation" or the water made available to the contractor under a water service or repayment contract.
	DEID	As written, the criteria could be argued as giving as single contractor veto power over a banking project if it were to decide that there was an "adverse impact". With no definition of what an adverse impact is or, more importantly, who would make that determination, the criteria as written leaves too much room for mischief. Suggested edits are an attempt to correct what DEID considers to be a critical error in the current wording.	"as determined through the environmental compliance process" was added to the analysis of adverse impacts. Any adverse impact or harm would be determined through environmental compliance.

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Criteria-General (continued)	FWA	<p>Suggested changes to first paragraph under "General"</p> <p>Reclamation analyzes all Proposals to ensure consistency with state and federal laws and that no banking action results in adverse impacts to the CVP, other contractors, or the environment. Proposals will also be monitored analyzed to ensure that all CVP Water required to be is returned for beneficial use prior to expiration of the Contractor's Water Service or Repayment Contract or the water banking approval is returned.</p>	<p>Suggested changes not incorporated.</p> <ol style="list-style-type: none"> Proposals are not monitored. Projects, once approved, are monitored. Other types of contracts than those mentioned in the comment allow banking.
	GWD	<p>Reclamation's draft groundwater banking criteria document includes the vague standard of "no adverse impacts to the CVP," but the criteria do not ensure a rigorous and transparent methodology for ensuring that this standard will be adequately enforced. GWD would like to see the next draft of the criteria incorporate a more stringent, publicly accessible review process that ensures each water banking proposal is sanctioned by federal reclamation law and will not operate to the detriment of refuges and other CVP contractors.</p>	<p>All banking proposals must undergo environmental compliance before approval. The NEPA analysis takes into account the potential impacts of the proposed action. The environmental review process under NEPA provides an opportunity for the public to be involved in the Federal agency decision making process. NEPA documents are posted for public review and are open for public comment.</p>
	KTWD	<p>Sentence: "Proposals will also be analyzed to ensure that all CVP Water is returned for beneficial use prior to expiration of the Contractor's contract or the water banking approval."</p> <p>Concern: "all CVP Water returned..." due to losses and/or leave behind provisions which are allowable it is doubtful that all CVP water will be returned. If the intention of that sentence is that all CVP water is accounted for and tracked then the sentence should state that.</p> <p>Proposed Solution: Remove the word "all" from the sentence or replace the word "returned" with "accounted and used".</p>	<p>Language was revised to clarify intent.</p>
	SCVWD	<p>In the General section, it is stated that "proposals will also be analyzed to ensure that all CVP Water is returned for beneficial use prior to expiration of the Contractor's contract or the water banking approval." There may be an instance in which a contractor has water remaining in a groundwater bank at the end of the banking program, and is developing a separate agreement with the banking entity to transfer that water to another contractor. There may also be an instance in which the banking agreement indicates that any remaining water would be sold to the banking entity. It is not clear to SCVWD why these situations would be unacceptable to Reclamation. SCVWD appreciates clarification of Reclamation's statement in the General section.</p>	<p>Language was revised to clarify intent.</p>
Conveyance	SJWD, SSWD, CR, CF	<p>The Draft Criteria's "no harm" provisions should be specifically tailored to how the water is being transported to ensure that the appropriate analysis is undertaken. The "no harm" provisions applied to water transported using a river system</p>	<p>The "no harm" analysis would be determined through NEPA compliance and is specific to each action.</p>

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Conveyance (continued)	SJWD, SSWD, CR, CF (continued)	should be different than those applied to water transported locally or regionally.	
	DEID	<p>"Harm" as defined by who? Suggest that the criteria not rely on subjective terms such as the undefined term "harm" and be replaced with language consistent with existing contract terms. Alternatively, this B1 wording could be eliminated altogether.</p> <p>Suggested change: 1. Conveyance of CVP Water to or from a Bank shall be consistent with state and federal laws and those terms within the contractor's water contract(s) follow the general rule of no harm to the:</p> <ul style="list-style-type: none"> a. Operations of the CVP b. Other CVP Contractors c. Financial status of the CVP d. Environment 	"as determined through the environmental compliance process" was added to this Guideline. Reclamation relies on NEPA to define any harm or impacts.
	DEID	Suggested Change: 3. The introduction of any water into a CVP facility for banking returns, must comply with the then-current water quality standards/requirements for that CVP facility as determined by Reclamation.	Similar language was added to this section to clarify that it is Reclamation's determined water quality standards.
Recharge and Recovery	SJWD, SSWD, CR, CF	The Draft Criteria's provisions under "Recharge and Recovery" fail to address exchange of banked groundwater either through direct injection or in-lieu recharge.	The Guideline states that "Banking or recovering of CVP Water may be done by direct recharge, exchange , transfer, or in-lieu. " The definition of recharge includes either natural or artificial methods which would include injection methods. As written, Reclamation believes that the methods listed in the comment are covered.
Duration	FWA	This criterion references "...the term of the existing contract under which the CVP water is/was banked." It is not clear whether the contract being referenced is the water service/repayment contract or the agreement providing for banking services. If it is the latter, there does not seem to be any provision of these Criteria that requires a banking agreement to have a specified term or that all approvals will be for a specified term. Please clarify what contract is being referenced.	The word Federal was added before the word contract to clarify that it is the contract between Reclamation and the Contractor that allows for the banking of CVP Water.
	FWA	Second sentence under "General" references returning all banked water prior to the expiration of the term of the banking approval, but that second limitation is not specified here. Is it expected that all banking approvals will have a term associated? If so, where is that specified?	The General section states that "how all CVP water will be returned or put to beneficial use prior to the expiration." It is expected that the agreement between the Banker Operator and the Contractor will have a term. Most contracts/agreements are not open ended. The Duration Guideline states the expectation that banking actions will occur within the duration of the Reclamation contract under which the water is/was banked. If it extends beyond, it will

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Duration (continued)	FWA (continued)		be considered on a case by case basis.
Acreage Limitations	FWA	It is not clear what Reclamation's expectation is regarding water that was banked as 215 water, then loses its acreage limitation exemption. Does this term only become operative when the water is returned to the banking district? Also, the Criteria do not distinguish the RRA requirements applicable to water banked pursuant to a repayment contract vs. a water service contract. This criterion may be the place to deal with that issue. For example, if capital costs are paid off, RRA would have no financial implications (RRA interest on \$0 is \$0.)	This Guideline underwent significant revision. Reclamation has a legal opinion from 2012 stating that any 215 water banked for more than 365 days will lose its acreage limitation exemption. Reclamation drafted this Guideline to best meet the needs of Contractors while still upholding Reclamation policy and legal opinions.
	DEID	Please justify this position in light of DEID having a 9d contract and is now exempt from acreage limitations within Reclamation Law. This provision is against the one of the approved terms that DEID has within the Rosedale banking program where 215 water is expressly approved as the "leave-behind" water that has no RRA requirements/restrictions (Rosedale is a non-CVP contractor). How does the use of 215 water as part of a banking program suddenly trigger RRA restrictions?	This Guideline underwent significant revision. Reclamation has a legal opinion from 2012 stating that any 215 water banked for more than 365 days will lose its acreage limitation exemption. Reclamation drafted this Guideline to best meet the needs of Contractors while still upholding Reclamation policy and legal opinions.
	KTWD	Please insert the following at the end of the Acreage Limitation Exemption section: "This criterion will not be enforced on any water banked prior to the adoption of this criterion under previously approved programs. If any approvals are contrary to this criterion Reclamation will issue a new approval which will follow this criterion and water banked thereafter will follow the new approval"	This Guideline underwent significant revision. Reclamation has a legal opinion from 2012 stating that any 215 water banked for more than 365 days will lose its acreage limitation exemption. Reclamation drafted this Guideline to best meet the needs of Contractors while still upholding Reclamation policy and legal opinions.
Administrative Costs	FWA and DEID	The last phrase, "including any other costs deemed applicable by Reclamation" is very open ended and creates considerable uncertainty as to future costs. We recommend adding "and defined in the LOA" to the end of the sentence.	Suggested language was incorporated.
Purpose of Use	SJWD, SSWD, CR, CF	Section G of the Draft Criteria implies that Reclamation retains ownership of the water after it has delivered it to the contractor without regard to whether the contractor will place the banked water to beneficial use. While SWJD recognizes that Reclamation has a contractual right to regulate contractors' use of banked water under many CVP contracts, this criterion should be amended to specifically state that the contractor retains ownership of the banked water that it has already paid for, if it is beneficially used when extracted.	No changes to the Guideline were made. CVP Water, even when banked and returned, does not lose its CVP Water classification. Beneficial use of banked CVP Water must still be consistent with the terms and conditions of the applicable Reclamation CVP Water rights permits and licenses and provisions of the contract under which the CVP Water is/was banked. Nothing in this Criteria allow for other entities (other than the entity that banked the CVP water) to recover the banked water without consent of the banking Contractor and approval from Reclamation.
Place of Use	FWA	Suggested adding "unless otherwise approved by Reclamation" to the end of the Guideline.	Change not incorporated.

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Environmental Compliance	FWA	It would seem that the Contractor should also be in compliance with applicable environmental requirements prior to final approval of a banking arrangement.	"Contractor" was added to this Guideline.
	DEID	Isn't compliance the responsibility of the contractor rather than Reclamation?	It is the responsibility of both the Contractor and Reclamation.
	FWA	Some banking and transfer activities require both NEPA and CEQA compliance documentation.	CEQA is covered under "other applicable state and federal laws."
	SJWD, SSWD, CR, CF	Regarding NEPA compliance, why would a contractor's banking of CVP water require a federal action? Any impacts associated with the federal facility from which the water is being obtained have already been reviewed and accounted for. As noted earlier, additional NEPA review for banking water that requires cross-Delta conveyance would make sense for a program that stores water in existing banks in southern California, but does not make sense for local or regional groundwater banks that are utilizing contract water where the impacts of delivering that water already have been addressed as part of the environmental documentation associated with the contractor's water supply contract.	Any movement of water outside of a Contractor's Contract Service Area requires approval and the approval is the federal action. If the specific action is already covered under an existing NEPA document, additional NEPA compliance is not necessary.
Records	FWA	It is unclear why two independent reports should be required or what Reclamation would do if there were inconsistencies between the two reports. A single joint report by the Contractor should provide adequate documentation and simplify Reclamation's compliance monitoring.	This Guideline was changed to reflect that a single report was acceptable; however, the Bank Operator must concur, in writing, with the Contractor's banking and recovery balances.
	DEID	In practice, the banking entity and contractor agree on the numbers and submit a report jointly. At least submitting a joint report should be given as an acceptable option	This Guideline was changed to reflect that a single report was acceptable; however, the Bank Operator must concur, in writing, with the Contractor's banking and recovery balances.
Scheduling	MFFT	"The contractors will provide monthly water schedules..." The Meyers Water Bank has provided these schedules on a seasonal basis to this point. For example, if operation of the Water Bank were to run from October to April, a schedule would be provided in September detailing the projected deposits. A seasonal schedule requirement would create a reduction in what might be unnecessary reporting.	These schedules are required for the Contractor banking CVP Water and are not required of the Bank Operator.

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Banking Losses	FWA	<p>This criterion and its two sub-parts is very confusing and potentially punitive. The introductory sentence states that Reclamation will determine if specified losses are acceptable, but in Criterion M.2 Reclamation requires that "...the Contractor must replace the unbalanced ratio of deposits/withdrawals to the CVP..." If a contractor loses 50 acre-feet and is then required to provide 50 acre-feet to Reclamation, this requirement has effectively doubled the losses (that Reclamation presumably deemed reasonable) and imposes exorbitant water costs on the Contractor. Based on the July 26 meeting and discussion, it appears that was not Reclamation's intent. If so, the criterion needs to be revised and the language made consistent with Reclamation's intent.</p>	<p>Reclamation revised this Guideline in an attempt to clarify the policy regarding unbalanced ratios/losses/leave behind and "pay back". Banking losses due to operations and banking losses as a result of "leave behind" or "unbalanced ratios" were separated and treated differently under the Guidelines.</p> <p>These Guidelines do not require Contractors to "double pay" for water when banking.</p> <p>All cost provisions will be addressed in the SOP.</p>
	DEID	<p>Suggest eliminating M.2 in its entirety and replacing with a new section "O" below. Note that the replacement concept contained in this section effectively doubles the loss to the contractor with no particular purpose. Would also question how this comports with the terms of our existing 9d contract.</p> <p>Suggested Change: If a Contractor banks more CVP Water than can be recovered, the Contractor must replace the unbalanced ratio of deposits/withdrawals to the CVP prior to termination of the banking program; e.g. a scenario where 100 acre-foot (AF) of CVP Water in and 50 AF out means the Contractor must repay 50 AF of water back to the CVP. Reclamation will determine the amount of water that needs to be replaced on a case by case basis.</p> <p>O. Leave-behind Water: Reclamation will determine the amount of leave-behind water that is justified on a case by case basis. Reclamation acknowledges that a key component to banking programs are creating incentive to the banking entity that can be appropriately comprised of money, water, or both.</p> <p>As noted above, strongly reject the notion that a contractor can be required to "repay" banked water to the CVP. That simply makes no sense and is without basis. Suggested modification is to change this to a "leave-behind water" section to clarify the use of water and/or money as acceptable incentives for banking programs.</p>	<p>Reclamation revised this Guideline in an attempt to clarify the policy regarding unbalanced ratios/losses/leave behind and "pay back". Banking losses due to operations and banking losses as a result of "leave behind" or "unbalanced ratios" were separated and treated differently under the Guidelines.</p> <p>These Guidelines do not require Contractors to "double pay" for water when banking.</p> <p>All cost provisions will be addressed in the SOP.</p>

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Banking Losses (continued)	KTWD	<p>Sentence: "If a Contractor banks more CVP water than can be recovered, the Contractor must replace the unbalanced ratio..." (entire section) Concern: This section is confusing. It seems that this is trying to address leave-behind water of an unbalanced exchange. As mentioned above the District's most recent environmental document (FONS111-071) addresses this issue in a way that helps to promote water banking and conjunctive use between Contractors, while maintaining the integrity of Reclamations current policies.</p> <p>Proposed Solution: Instead of M2 replace with the following section: "Unbalanced Exchanges: As Reclamation allows no more than a 10 percent loss for the banking of Contract water that carries full-cost price provisions of the Reclamation Reform Act, at least 90 percent of the volume which carries those provisions would be returned to the Contractors for use within its service boundary for existing customers. Any remaining amount required by the Bank above the 10 percent loss shall be fulfilled through a transfer of water without full-cost pricing provisions of the RRA or Non-project water.</p>	See response on page 8.
	SCVWD	<p>1. Section M.2. states that a contractor "must replace the unbalanced ratio of deposits/withdrawals to the CVP prior to termination of the banking program." The current wording could be interpreted to apply to actual banking losses, particularly because this statement is embedded within the "Banking Losses" section. That is, if a banking program is associated with ten percent losses, then the contractor would not only lose ten percent of the supply it is sending to be banked, but it must double its loss by providing an amount of water equal to the loss to Reclamation. It does not appear that Reclamation has a basis for requiring this - the fact that a contractor loses ten percent of its supply allocated to banking does not impact any other contractor or the CVP. The criteria, if applied in this way, essentially penalizes a contractor for engaging in good water management through banking. Based on the July 26, 2013 meeting with Reclamation, SCVWD understands this is not Reclamation's intent and as such, SCVWD recommends that the language be clarified accordingly.</p>	See response on page 8.

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Banking Losses (continued)	SJWD, SSWD, CR, CF	<p>The Draft Criteria's provisions regarding banking losses will not encourage groundwater banking. As written, the provisions on banking losses will make groundwater banking less attractive and more uncertain for contractors. Contractors will have already paid for CVP water when it is banked, so requiring contractors to "double pay" Reclamation for unintentional and unavoidable transmission and banking losses is inappropriate. Contractors will already bear the risk of banking losses by having less water available for withdrawal. Further, a contractor's repayment exposure to Reclamation due to losses from long-term banking will be difficult to predict in advance, making the decision to bank groundwater less attractive for contractors.</p> <p>Regarding reporting of banking losses, the Draft Criteria are unclear as to whether the contractor must report to Reclamation system losses or aquifer losses.</p>	See response on page 8.
	MFFT	<p>Page 6: "...Contractor must replace the unbalanced ratio of deposits/ withdrawals to the CVP prior to termination of the banking program..." We interpret the intention of this section as ensuring that banked CVP water is ultimately returned to the Contract Service Area, but the concern is over "repaying" for the unbalanced ratio. How is water "replaced" or "repaid" to Reclamation? Could this create a scenario where a water bank is terminated and the Contractor ends up paying for water twice (once when purchased, and twice to cover an "unbalanced ratio")?</p>	See response on page 8.
	SCVWD	<p>Section M states that "Reclamation will independently determine if specified losses are acceptable based on analysis of local conditions." SCVWD would like to clarify Reclamation's authority for determining losses. Based on the July 26, 2013 meeting with Reclamation, SCVWD's understanding of this item is that banking losses in the 10% to 15% range (or thereabouts) is acceptable to Reclamation.</p>	Reclamation does not determine the banking losses. Banking losses are included in the banking Proposal and the presented losses will be analyzed through the NEPA process. It is Reclamation's duty to protect the CVP from unreasonable losses through the banking process.
Transfer of Previously Banked Water	GWD	<p>The CVPIA's water transfer criteria must be strictly applied to water banking proposals, from the outset, and certain inconsistent provisions must be deleted from the draft groundwater banking criteria.</p> <p>There are at least two provisions in the draft groundwater banking criteria that conflict with the consumptive use criteria under the CVPIA. The first sentence under Reclamation's proposed "Criteria for Banking CVP Water" states that in order to bank CVP water, "the water to be banked must be in excess of [] the Contractor's current year needs but not in excess of their annual allocation." This is directly inconsistent with the consumptive use criteria, to the extent that that criteria applies to the proposed transfer or exchange with a banking entity.</p>	<p>This guideline was edited to specifically include Reclamation's Water Transfer Guidelines and contract provisions.</p> <p>It is important to make the distinction between water that is being banked for a Contractor's later use and water that is banked and subsequently transferred. Not all banking transactions have a transfer of the banked water as the final movement of water. The amount allowable for banking is independent of a transfer.</p>

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Transfer of Previously Banked Water (continued)	GWD (continued)	Second, section "N" of the draft criteria states that previously banked CVP water must comply with the CVPIA's water transfer criteria, if subsequently transferred, and that in such cases the CVPIA's consumptive use criteria "is deemed met after the water remains in the Bank for 365 days." This last sentence must be stricken from the draft criteria document. It implies that a CVP contractor could arrange for the delivery of its CVP contract supplies to a groundwater bank, even if that contract entitlement would not otherwise have been consumptively used by the contractor. After leaving that water in the bank for one year, the contractor could then transfer all of it to another entity. The effect of this would be harmful to the CVP and its contractors, and would improperly circumvent the CVPIA's water transfer criteria. CVP contractors would be able to move "paper water," instead of "real water," from the CVP to non-CVP contractors, which would deplete the amount of water available to contractors within the CVP.	Under both state law and CVPIA, transfers of previously stored water (from surface reservoir storage) are permissible. The transfer of previously banked CVP water appears to be more like a transfer of water from a surface storage reservoir; and therefore, shall be treated in the same manner as water that has been in reservoir storage for a period of at least one year. Under this condition, a decrease in consumptive use is not required.
	SJWD, SSWD, CR, CF	The Draft Criteria do not expressly state that Reclamation's approval process for water transfers pursuant to CVPIA Section 3405(a) do not apply to groundwater banking. The Draft Criteria imply that the water transfer procedures do not apply, but Reclamation should amend the Draft Criteria to expressly make this point.	
Rates Associated with Banking CVP Water	FAC	The FAC recommends that Reclamation include "assessments" after "charges" on page 6, item O under Criteria for Banking CVP Water to account for Trinity PUD assessments. The FAC also recommends that Reclamation include O&M rates to non-federal entities in the discussion on page 6, item O under Criteria for Banking CVP Water.	Suggested language was incorporated.
	FWA	This criterion is very confusing and unclear. Reclamation needs to clarify what CVP rates and RRA requirements apply to what water at the various stages of banking (i.e. deposit and return). Also, there should be reference to other conveyance charges that may apply for use of facilities to bank or return water through facilities operated and maintained by an operating non-federal entity.	The language in this Guideline cannot be all inclusive as different types of Federal contracts have different charges associated with the CVP water. In lieu of listing all charges and when they are applicable in the Guideline, Reclamation will include this information in the developing Standard Operating Procedure for the implementation of banking proposals.
	DEID	Water is paid for when it is delivered to the bank. The additional "and returned" is confusing as when the water payment is made. Elimination of the struck language makes the rates and payments consistent with our contracts.	Language was revised and "returned" was removed from this Guideline.
Acknowledged Water Banks	SJWD, SSWD, CR, CF	The only existing, Reclamation-approved groundwater banks identified in the Draft Criteria are located in Southern California. The Draft Criteria state that Reclamation may approve additional banks, but they do not address the process by which additional banks will be approved. Further, any criteria regarding Reclamation's approval of additional banks should address how Reclamation will	Banking Operators need to work with their local area offices to acquire acknowledged status. Local Area Office representatives can provide details on the information Reclamation would need to assess if a potential Bank is suitable for banking CVP water; thus, banking at the Bank is

Guideline Section	Comment Submitted By	Text of Comments	Reclamation's Response
Acknowledged Water Banks (continued)	SJWD, SSWD, CR, CF (continued)	approve groundwater banks for which the aquifer underlies multiple purveyors, some of which are CVP contractors and some of which are not.	consistent with Reclamation's water rights permits and will not result in unreasonable loss of water to the CVP.
	FWA	Why is Madera ID Water Bank not "acknowledged"?	Madera has not approached Reclamation to acquire "acknowledged" status.