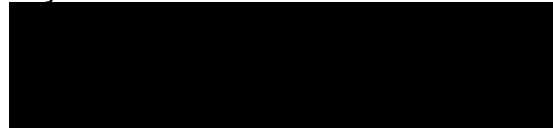


State Water Resources Control Board

October 13, 2026

Mr. Jesse McNames
Crystal Creek Ranch



CONDITIONAL APPROVAL OF 2026 GROUNDWATER LOCAL COOPERATIVE SOLUTION FOR CRYSTAL CREEK RANCH

Dear Mr. McNames:

Assembly Bill (AB) 263, signed into law on September 26, 2025, extended the effective period of the State Water Resources Control Board's (State Water Board's) Scott River and Shasta River Emergency Regulation (Cal. Code Regs., tit. 23, §§ 875-875.9) (Regulation) until January 1, 2031, or until permanent rules establishing and implementing long-term instream flow requirements are adopted for those watersheds, whichever occurs first. Under the Regulation¹, local cooperative solutions by individuals or groups may be proposed by petition to the Deputy Director of the Division of Water Rights (Deputy Director) as an alternative means of reducing water use to meet or preserve the emergency minimum flows, or to provide other fishery benefits, in lieu of curtailment.

Section 875, subdivision (f)(4)(D) of the Regulation describes three types of local cooperative solutions specifically for overlying or adjudicated groundwater diversions for irrigated agriculture: Best Management Practices, Graduated Cessation Schedule, and Percent Reduction. The Deputy Director may approve a proposal submitted by an individual or group, provided that it meets the specific requirements of the applicable groundwater local cooperative solution type, satisfies the metering and inspection requirements, is founded on a binding agreement with a coordinating entity if the petitioner chooses that option, and is to be implemented throughout the entirety of the irrigation season. The Deputy Director's approval of a proposal for a groundwater local cooperative solution may be subject to appropriate conditions, including metering, monitoring, and reporting requirements.

¹ *Establishment of Minimum Instream Flow Requirements, Curtailment Authority, and Information Order Authority in the Scott River and Shasta River Watersheds*, available online at: https://www.waterboards.ca.gov/drought/scott_shasta_rivers/docs/2025/2025-scott-shasta-emergency-reg-adopted-searchable.pdf.

Summary of Proposal

The State Water Board received a proposal² from Jesse McNames (petitioner) for a Percent Reduction groundwater local cooperative solution for the 2026 season that proposes to reduce water use by 54% compared to water use in the 2020 irrigation season. The proposal covers 375 acres of irrigated land. The petitioner proposes to achieve the water use reduction with the following water conservation actions:

- Reduced the amount of water applied by pivots compared to the amount used during the 2020 baseline year. This involves upgrading to new pivots with Low Energy Precision Application (LEPA) system since the 2020 baseline year;
- Transitioned fields that used wheel lines and flood irrigation in 2020 to pivots;
- Converted one field [REDACTED] to grain, which requires less water, has a shorter growing season, and will only be harvested once per season compared to the alfalfa planted during the 2020 baseline year; and
- Reduced irrigation set passes and ceased water use on 32 acres earlier in the irrigation season than was previously done in 2020.

Applied Water Baseline

Per the Regulation, the relevant water use reduction shall generally be based on a comparison to the 2020, 2021, 2022, or 2023 irrigation season, and may be demonstrated by evidence that provides a reasonable assurance that the change in farming practice or other action results in at least the relevant proportionate reduction in water use. However, if evidence for the amount of water applied during the 2020, 2021, 2022, or 2023 irrigation seasons indicates that the base rate of applied water is higher than 33 inches per year for alfalfa, 14 inches per year for grain, or 30 inches per year for pasture, then the base rate of applied water shall be set to these specified values, unless the petitioner makes an additional showing that a higher base rate number is an appropriate comparison in light of relevant information that can include but is not limited to multi-year practices, soil type, and irrigation methods. (Cal. Code Regs., tit.23, § 875, subd. (f)(4)(D)(v).)

The petitioner requested to use a higher 2020 base rate of applied water for pasture and alfalfa, proposing 114 inches per year for pasture and 37 inches per year for alfalfa in the Percent Reduction Proposal. The petitioner's justification for their higher base rate of applied water for pasture is the soil type of the specified fields ([REDACTED]), which are described as decomposed granite soils, and are well-drained soil that require additional water to maintain pasture conditions for cow grazing. Orchard grass, which is considered pasture for proposal purposes, ([REDACTED]), was planted in 2020 for hay production which required more water in the dry year because of its shallow root system. For the alfalfa fields (i.e., [REDACTED]), the soil types are mostly diyoun loam and settlemeyer loam, which are described as drained soil

² The term "proposal" includes, as applicable, elements of the petitioners' Application Form for 2026 Local Cooperative Solution, communications with Division of Water Rights staff, and content from one or more of the petitioners' previous local cooperative solutions. Generally, any applicable content is restated in this letter as part of the current proposal.

that the petitioner determined needs additional water to maintain a longer growing season for multiple harvests.

The State Water Board finds the base rate amounts of applied water proposed by the petitioner for pasture to be high (i.e., more than three times the Regulation's trigger of 30 inches for pasture that requires additional informational support) when considering the water demands of the crops. However, the State Water Board approves this request in light of the relevant information pertaining to the soil type, 2020 crop irrigation demands, the use of flood irrigation in the base year, uncertainty regarding water application needs in the Scott Valley, and in light of the fact that meters are installed on more than 80 percent of the acreage covered by this proposal, which will provide data to inform applied water amounts. Additionally, the proposal provides sufficient evidence that the proposed changes to irrigation methods will result in reduced application of water (i.e., conversion from fields flooded with groundwater to wheel line and more efficient irrigation using LEPA). More specifically, the petitioner has improved irrigation efficiency by installing four pivots with LEPA and added soil-moisture sensors compared to the baseline year of 2020 (i.e., when the irrigation methods for most of the fields were flooded with groundwater and wheel line), resulting in reduced overall water use. Finally, one of the specified alfalfa fields has been converted to a grain field, which requires less water compared to the baseline year 2020.

A further description of the site and water reduction measures is provided in the proposal. The application identifies Scott River Water Trust as the coordinating entity and includes a "Binding Agreement" that grants property access to verify compliance with the proposal. The proposal was posted to the State Water Board's webpage for local cooperative solutions³ associated with the Regulation on September 4, 2026. No comments were received on the proposal.

Groundwater Metering

A groundwater local cooperative solution must include a description of any existing groundwater metering, and a proposal to meter and record such extractions or applications on a weekly basis, and to report this information monthly to the Deputy Director (or the coordinating entity, if so agreed), with limited exceptions. If a meter may not be installed prior to the start of the irrigation season, the petitioner may submit a time schedule as part of the proposal that describes and substantiates the efforts, actions, and timelines for meter installation. The Deputy Director may waive the metering requirement for groundwater wells irrigating less than 30 acres or upon a determination that metering in a particular instance is not feasible. The Deputy Director may also approve a time schedule for the installation of a meter if not currently installed at the start of the irrigation season. (Cal. Code Regs., tit. 23, § 875, subd. (f)(4)(D)(iii)(a)-(c).)

The petitioner has installed four meters on four pivots that irrigate 303 acres, enabling monitoring of water usage on 81% of the total irrigated acreage covered by the proposal (303 of 375 acres). The proposal includes a plan to record and maintain a log of the

³ http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/scott_shasta_rivers/lcs2026.html

meter data of the four pivots on a weekly basis and provide monthly reports to the State Water Board or coordinating entity, where the coordinating entity will then submit the information to the State Water Board monthly and upon request.

The petitioner requests a waiver of the metering requirement for the remaining 72 acres citing infeasibility of upgrading their system with flow meters. The two existing well locations associated with watering the remaining 72 acres, each have 16-inch diameter mainlines and as a result of how the pipes come out of the ground, the petitioner determined installing meters would require substantial reconstruction at both well locations. The petitioner further informed us that the booster pump at the wellhead and its associated mainline, which currently supply water to [REDACTED], would need to be relocated and require considerable labor and material costs. Finally, the petitioner hired a consultant from Scott River Pump to investigate the potential to meter the two groundwater wells, and the determination was made that installing meters on the wells was infeasible due to the mechanical and infrastructure configuration of the wells. The proposal includes a plan to estimate water usage on the unmetered 72 acres ([REDACTED]) by maintaining weekly records of the applied water depth and area. The petitioner will provide the weekly records monthly to the State Water Board or coordinating entity, where the coordinating entity will then submit the information to the State Water Board monthly and upon request.

Approval

The Deputy Director has delegated the authority to approve groundwater local cooperative solutions to the Assistant Deputy Director of the Water Quality Certification, Flow, Data, and Administrative Branch of the Division of Water Rights. The Assistant Deputy Director has reviewed the groundwater local cooperative solution proposal and finds that it meets the requirements of Regulation section 875, subdivision (f)(4)(D), with the following conditions:

- The petitioner is required to meter, record, and maintain a weekly log documenting the volume of water pumped, as measured by the existing four pivots that irrigate 303 acres, throughout the 2026 irrigation season in accordance with the Regulation.
- The petitioner is required to follow the plan in the proposal to estimate applied water usage for the unmetered 72 acres, throughout the 2026 irrigation season in accordance with the Regulation.
- The data and information for the metered (303 acres) and unmetered (72 acres) acreage must be submitted to the State Water Board by the 10th of each month, reflecting records from the previous month.

The Division of Water Rights grants the petitioner's request to waive the metering requirement for 72 irrigated acres. The petitioner has taken reasonable steps to install four meters on four pivots in 2026 that will monitor 303 irrigated acres, demonstrating a commitment to improved monitoring, and is expected to continue to evaluate metering on the remaining acres, as conditional approval of this proposal does not assure approval under the same conditions in the future.

The petitioner's groundwater local cooperative solution proposal is hereby approved, as described in this letter. Any failure to implement any commitments of the proposal and any conditions of this approval (collectively, the approved local cooperative solution) is subject to enforcement as a violation of the Regulation. Additionally, violations of other provisions of the Regulation (e.g., surface water curtailment) may result in termination of this approval.

If you have questions regarding this approval, please contact Division of Water Rights staff via an email to: ScottShastaFlows@waterboards.ca.gov or by leaving a message on our dedicated phone line at (916) 327-3113.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erin Ragazzi', with a stylized flourish at the end.

Erin Ragazzi
Assistant Deputy Director
Water Quality Certification, Flow, Data, and Administrative Branch
Division of Water Rights

cc: Scott River Water Trust
scottwatertrust@gmail.com