

COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, AICP
Agency Director

PLANNING
SERVICES DIVISION

E.J. Ivaldi, Deputy Director

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson, AICP
Agency Director

By Brett Storey, Senior Management Analyst

DATE: June 2, 2015

SUBJECT: Groundwater Legislation Update

ACTION REQUESTED

Receive an update on State of California Groundwater Legislation including potential interests for Placer County.

BACKGROUND

New Legislation

During 2014, three Bills affecting how groundwater will be planned, managed and regulated in the State of California were passed by the legislature; they are SB 1168, SB 1319, and AB 1739, collectively known as the "Sustainable Groundwater Management Act." This legislation was developed in response to overdraft conditions in several basins and the desire for local regulation of sustainable groundwater resources. The Department of Water Resources (DWR) will be adopting regulations for evaluating and implementing Groundwater Sustainability Plans (GSPs) by June 1, 2016 and this will be a public process. The new legislation requires that sustainability agencies be designated for each basin by June 30, 2017 and GSPs be developed by 2020 for basins in critical overdraft and by 2022 for basins not in critical overdraft (such as the ones within Placer County). Attached are informational publications from the Association of California Water Agencies (ACWA) detailing this new legislation, a map of statewide groundwater basins that are affected and maps of the two-groundwater basins within Placer County that are currently affected by this legislation.

This legislation is mandated for all basins that are listed in the DWR Bulletin 118 and are identified as medium or high-priority in the California Statewide Groundwater Elevation Monitoring (CASGEM) program and is optional for basins identified as very-low and low priority. There are currently five Bulletin 118 basins in Placer County. The North American Sub-basin in western Placer County has been identified as high-priority and it is collocated within Sutter and Sacramento Counties. The Martis Valley basin in eastern Placer County has been identified as medium priority and has shared responsibility with Nevada County and the state of Nevada has an interest. The remaining three Bulletin 118 basins are Olympic Valley, Tahoe Valley North, and Tahoe Valley West and have all been identified as very-low priority. Each of these sub-basins contains several water purveyors and stakeholders and the county would need to consult with each of them during this process.

The new legislation states that a sustainability agency can be a public agency that has an interest in the basin (and in some cases can include a water purveyor regulated by the Public Utility Commission). If no entity steps up to this role the county first, or finally the state, by default would represent the sub-basin. There is also an obligation to reach out to other groundwater-affected stakeholder's such as agriculture

interests and tribal entities. There are several approaches to create the sustainability agency should the County desire to participate. They can be created as a Joint Powers Authority, by Memorandum of Agreement, or other similar means.

One approach is to develop a single sustainability plan for each Bulletin 118 basin, such that multiple counties, groundwater agencies and other related interests would need to participate in the sustainability agency. Another approach is for multiple sustainability agencies to develop separate but coordinated sustainability plans that cover each Bulletin 118 basin. This approach would also require a coordination plan with each sustainability agency that covers the sub-basin. There are also combination approaches that are being discussed around the state. The GSP is central to this legislation and must assess basin sustainability and reach it within a 20-year timeframe. The GSP must demonstrate how groundwater will be regulated, including measuring discharges, and provide for an enforcement of the regulations that will bring it to (or keep it at) a sustainable level. Additionally, the GSP is subject to approval by the DWR.

County staff has set up an internal cross organization groundwater issues working group and will analyze information and provide updates and options to management and the Board prior to any decision points. In addition, County staff has begun meetings with neighboring groundwater agencies in both basins applicable to this legislation.

The interests for the county are concerning the following areas;

- County maintain its individual land use and other authority rights
- County engage in the development process with the DWR for evaluating and implementing the GSP's
- County investigate and create appropriate sustainability agency structure for each basin
- County investigate funding options to develop and perform this new agency role

County staff believes that throughout 2015 several factors will assist in helping the county to address this legislation. More detailed information from the DWR and interests from our potential partners will become available. This will assist in formulating a strategy for management and the Board to review and decide upon prior to any legislative deadlines. Staff anticipates several more updates to the Board on the subject of groundwater throughout this process.

FISCAL IMPACT

None at this time. Future groundwater sustainability activities will likely be annual cost obligations. All action and funding decisions would be brought back to the Board for approval and then included in the annual budget process.

Attachment 1: Sustainable Groundwater Management Act

SUSTAINABLE GROUNDWATER MANAGEMENT ACT

A Framework for Sustainability

The California Legislature enacted comprehensive legislation aimed at strengthening local control and management of groundwater basins throughout the state. Gov. Jerry Brown signed the three-bill package into law on Sept. 16, 2014.

Known as the Sustainable Groundwater Management Act of 2014, the legislation provides a framework for sustainable management of groundwater supplies by local authorities, with a limited role for state intervention when necessary to protect the resource.

Multiple discussions and a public stakeholder process that began in late 2013 helped shape the legislation, which the Brown Administration identified as a top priority for 2014. It is considered one element of a comprehensive water action plan advanced by the Administration that also includes investment in water conservation, water recycling, expanded water storage, safe drinking water, wetlands and watershed restoration.

The Act at a Glance

The Sustainable Groundwater Management Act of 2014 consists of three bills— AB 1739 (Dickinson), SB 1168 (Pavley) and SB 1319 (Pavley). Together, the bills commit the state to locally controlled, sustainable groundwater management and provide tools and authorities for local agencies to achieve the sustainability goal over a 20-year implementation period.



The legislation lays out a process and a timeline for local authorities to achieve sustainable management of groundwater basins. It also provides tools, authorities and deadlines to take the necessary steps to achieve the goal. For local agencies involved in implementation, the requirements are significant and can be expected to take years to accomplish.

- **Step one:** Local agencies must form local groundwater sustainability agencies (GSAs) within two years.
- **Step two:** Agencies in basins deemed high- or medium-priority must adopt groundwater sustainability plans (GSPs) within five to seven years, depending on whether a basin is in critical overdraft.
- **Step three:** Once plans are in place, local agencies have 20 years to fully implement them and achieve the sustainability goal.
- **State role:** The State Water Resources Control Board may intervene if locals do not form a GSA and / or fail to adopt and implement a GSP.

Timeline for Sustainability

June 30, 2017: Local groundwater sustainability agencies formed.

Jan. 31, 2020: Groundwater sustainability plans adopted for critically overdrafted basins.

News Tools for Local Agencies

The legislation gives local agencies new tools to manage groundwater sustainably. For example, groundwater sustainability agencies may:

- Require registration of wells and measurement of extractions
- Require annual extraction reports
- Impose limits on extractions from individual groundwater wells
- Assess fees to implement local groundwater management plans
- Request a revision of basin boundaries, including establishing new subbasins

Creation of Groundwater Sustainability Plans

The legislation provides options for local agencies to develop the required groundwater sustainability plans. Agencies may opt to create a single plan covering the entire basin, or knit together multiple plans created by multiple agencies.

A plan must include measurable objectives and interim milestones to achieve the sustainability goal for the basin within a 20-year time frame. The plan also must include a physical description of the basin, including information on groundwater levels, groundwater quality, subsidence and groundwater-surface water interaction; historical and projected data on water demands and supplies; monitoring and management provisions; and a description of how the plan will affect other plans, including county and city general plans.



The California Department of Water Resources (DWR) has several tasks under the Sustainable Groundwater Management Act. It must:

- Designate basins as high, medium, low or very low priority by Jan. 31, 2015
- Adopt regulations for basin boundary adjustments by Jan. 1, 2016
- Adopt regulations for evaluating adequacy of GSPs and GSA coordination agreements by June 1, 2016
- Publish a report estimating water available for groundwater replenishment by Dec. 31, 2016
- Publish groundwater sustainability best management practices by Jan. 1, 2017

The State Water Resources Control Board may intervene if a GSA is not formed or fails to adopt or implement compliant plans by certain dates.

DWR reviews the GSAs for adequacy after they are adopted at the local level. If DWR determines that an adequate groundwater sustainability plan is not in place, the State Board may designate the basin as "probationary." If the local agency does not respond within 180 days, the State Board is authorized to create an interim plan that will remain in place until a local GSA is able to assume responsibility with a compliant plan.

If approved by voters, Proposition 1 would provide \$100 million in funding to GSAs to develop and implement sustainable groundwater management plans.

Jan. 31, 2022: Groundwater sustainability plans adopted for high- and medium-priority basins not currently in overdraft.

By 2040: All high- and medium-priority groundwater basins must achieve sustainability.

Probationary Status

In general, the State Water Resources Control Board may designate a basin as "probationary" if, after consulting with DWR, it is found that a groundwater sustainability plan has not been created, the plan is inadequate, or the plan is not being implemented in a way that will lead to sustainability.

Specifically, the State Board may designate a basin as probationary if:

- No local agency has formed a groundwater sustainability agency for the basin by the June 30, 2017, deadline
- No groundwater sustainability plan has been adopted for a high- or medium-priority basin in critical overdraft by the Jan. 31, 2020, deadline
- No groundwater sustainability plan has been adopted for a high- or medium-priority basin not currently in critical overdraft by the Jan. 31, 2022, deadline
- After Jan. 31, 2020, the groundwater sustainability plan for a basin in critical overdraft is found to be inadequate or is not being implemented to achieve sustainability
- After Jan. 31, 2022, the groundwater sustainability plan for any other high- or medium-priority basin is found to be inadequate, or is not being implemented to achieve sustainability, and the State Board determines the basin is in a condition of long-term overdraft
- After Jan. 31, 2025, a groundwater sustainability plan is found to be inadequate, or is not being implemented to achieve sustainability, and the State Board determines that groundwater extractions are resulting in significant depletions of interconnected surface waters

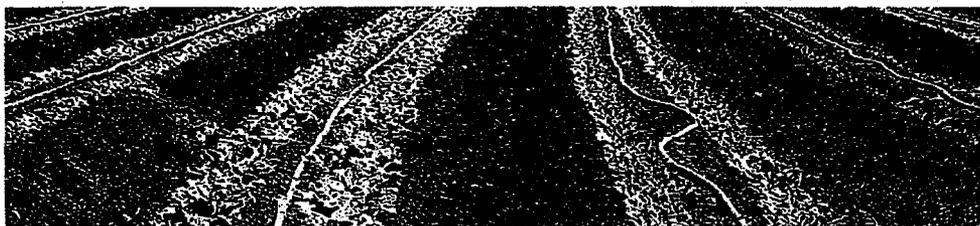
If a local agency fails to respond to a deficiency within 180 days, the State Board is authorized to create and develop an interim plan that would remain in place until a local groundwater sustainability agency is able to take over and manage the basin sustainably.

About "High-Priority" and "Medium-Priority" Groundwater Basins

The Sustainable Groundwater Management Act applies to basins or subbasins designated by the Department of Water Resources as high- or medium-priority basins based on a statewide ranking that uses criteria including population and extent of irrigated agriculture dependent on groundwater. Final basin prioritization by DWR is due by Jan. 31, 2015.

It is anticipated that about 125 basins throughout the state will be designated as high- or medium-priority basins for which a plan must be developed. Those basins account for about 90% of California's annual groundwater use. DWR's California Groundwater Bulletin 112 identifies a total of 315 alluvial groundwater basins and subbasins in California.

The Sustainable Groundwater Management Act does not apply to adjudicated basins that are managed by the courts, or to basins deemed by DWR to be low or very low priority.



Implementation Schedule



Jan. 31, 2015
DWR prioritizes basins

Dec. 31, 2016
DWR publishes report on water available for replenishment of groundwater in the state

June 30, 2017
Groundwater Sustainability Agencies are formed

January 31, 2020
Groundwater Sustainability Plans are adopted and implementation under way for basins in critical overdraft

Plans are submitted to DWR for adequacy review upon adoption

Interim milestones are reviewed by DWR every five years

Jan. 31, 2040
Groundwater Sustainability Agencies in critically overdrafted basin achieve sustainability goal

ACWA's Path on Advancing Sustainability

In response to mounting concerns about groundwater overdraft and subsidence in some areas of the state, ACWA's Board of Directors acted in November 2013 to establish a Groundwater Sustainability Task Force to help identify ways to address the issue.

Drawing on the expertise of ACWA Board members from across the state, the task force developed a series of recommendations on groundwater to build on the association's Statewide Water Action Plan as well as its 2011 Groundwater Framework.

The task force's work led to a suite of recommendations adopted by the ACWA Board in March 2014 as discussions intensified in the regulatory and legislative arenas to address groundwater.

ACWA's recommendations, issued formally on April 7, 2014, made a strong policy statement in support of sustainable, locally controlled management of the state's groundwater basins and called for new tools and authorities to help local agencies take action. At the same time, the recommendations recognized the need for a limited state backstop role in cases where locals cannot accomplish the goal.

ACWA's recommendations, together with recommendations from the California Water Foundation, provided the basis for many key provisions of the groundwater sustainability legislative package that ultimately emerged and was signed by Gov. Jerry Brown on Sept. 16, 2014.

ACWA's Recommendations for Achieving Groundwater Sustainability
<http://www.acwa.com/content/groundwater/acwa-recommendations-achieving-groundwater-sustainability>

California Department of Water Resources Groundwater Information Center
<http://www.water.ca.gov/groundwater/>

California Water Foundation Information / Recommendations on Groundwater Sustainability
www.californiawaterfoundation.org

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Fact Sheet

The Sustainable Groundwater Management Act of 2014 is a comprehensive three-bill package that provides a framework for sustainable management of groundwater supplies by local authorities, with a limited role for state intervention only if necessary to protect the resource.

The act requires the formation of local groundwater sustainability agencies (GSAs) that must assess conditions in their local water basins and adopt locally-based management plans. The act provides substantial time – 20 years – for GSAs to implement plans and achieve long-term groundwater sustainability. It protects existing surface water and groundwater rights and does not impact current drought response measures.

ACWA supported the legislation, which was substantially consistent with recommendations developed by the association's Groundwater Sustainability Task Force and adopted by the ACWA Board of Directors. ACWA's recommendations, together with recommendations from the California Water Foundation and input from other stakeholders, helped shape many provisions to protect local control and empower local agencies to achieve the sustainability goal.

The Sustainable Groundwater Management Act of 2014 is considered just one part of a statewide, comprehensive water plan for California that includes investments in water conservation, water recycling, expanded water storage, safe drinking water, wetlands and watershed restoration. The plan is intended to ensure a reliable water supply for California for years to come.

GSAs and Local Sustainability Plans

The Sustainable Groundwater Management Act provides local GSAs with tools and authority to:

- Require registration of groundwater wells
- Measure and manage extractions
- Require reports and assess fees
- Request revisions of basin boundaries, including establishing new subbasins

GSAs responsible for high- and medium-priority basins must adopt groundwater sustainability plans within five to seven years, depending on whether the basin is in critical overdraft. Agencies may adopt a single plan covering an entire basin or combine a number of plans created by multiple agencies. Preparation of groundwater sustainability plans is exempt from CEQA.

Plans must include a physical description of the basin, including groundwater levels, groundwater quality, subsidence, information on groundwater-surface water interaction, data on historical and

projected water demands and supplies, monitoring and management provisions, and a description of how the plan will affect other plans, including city and county general plans.

Plans will be evaluated every five years.

State Involvement and Technical Assistance

The California Department of Water Resources (DWR) has several tasks under the Sustainable Groundwater Management Act. It must:

- Designate basins as high, medium, low or very low priority by Jan. 31, 2015
- Adopt regulations for basin boundary adjustments by Jan. 1, 2016
- Adopt regulations for evaluating adequacy of GSPs and GSA coordination agreements by June 1, 2016
- Publish a report estimating water available for groundwater replenishment by Dec. 31, 2016
- Publish groundwater sustainability best management practices by Jan. 1, 2017

State Review and Intervention

The State Water Resources Control Board may intervene if a GSA is not formed or it fails to adopt or implement compliant plans by certain dates.

DWR is tasked with reviewing GSPs for adequacy after they are adopted at the local level. If DWR determines in its review that a GSP is not adequate, the State Board may designate the basin as "probationary." If the local agency does not respond within 180 days, the State Board is authorized to create an interim plan that will remain in place until a local GSA is able to reassume responsibility with a compliant plan.

Financial Assistance

If approved by voters, Proposition 1 would provide \$100 million in funding to GSAs to develop and implement sustainable groundwater management plans.

Key Implementation Dates

- **June 30, 2017:** Local groundwater sustainability agencies formed.
- **Jan. 31, 2020:** Groundwater sustainability plans adopted for critically overdrafted basins.
- **Jan. 31, 2022:** Groundwater sustainability plans adopted for high- and medium-priority basins not currently in overdraft.
- **20 years after adoption:** All high- and medium-priority groundwater basins must achieve sustainability.

Frequently Asked Questions

Q: What is the Sustainable Groundwater Management Act of 2014?

A: The Sustainable Groundwater Management Act of 2014 is a comprehensive three-bill package that includes AB 1739 (Dickinson), SB 1168 (Pavley), and SB 1319 (Pavley) and sets the framework for statewide long-term sustainable groundwater management by local authorities.

It requires the formation of new groundwater sustainability agencies (GSAs) tasked with assessing the conditions in their local basins and adopting locally-based sustainable management plans. It provides for limited state intervention only when a GSA is not formed and / or fails to create and implement a plan that will result in groundwater sustainability within 20 years.

Q: What authority will GSAs have?

A: GSAs are empowered to utilize a number of new management tools to achieve the sustainability goal. For example, GSAs may require registration of groundwater wells, mandate annual extraction reports from individual wells, impose limits on extractions, and assess fees to support creation and adoption of a groundwater sustainability plan (GSP). GSAs also may request a revision of a groundwater basin boundary, including the establishment new subbasins.

A GSA may adopt a single plan covering an entire basin or may combine several plans from multiple agencies.

Q: Is there any funding available to assist GSAs?

A: If approved by voters, Proposition 1 – the Water Quality, Supply and Infrastructure Improvement Act of 2014 – would provide \$100 million in funding to help create and implement GSPs.

Q: When do sustainable groundwater management plans have to be completed and implemented?

A: GSPs for critically overdrafted basins must be completed and adopted by the GSA by Jan. 31, 2020. GSPs for high- and medium-priority basins not in overdraft must be completed and adopted by the GSA by Jan. 31, 2022. All high- and medium-priority groundwater basins must achieve sustainability within 20 years of GSP adoption.

Q: Who determines whether a groundwater sustainability plan is sufficient?

A: The Department of Water Resources (DWR) is tasked with reviewing GSPs for compliance. If DWR determines that an adequate GSP has not been adopted or that it is not being implemented in a way

Frequently Asked Questions

that will achieve sustainability within 20 years, then the State Water Resources Control Board may designate the basin "probationary."

After receiving notice from the State Board, local authorities will have 180 days to address GSP deficiencies. If the plan is brought into compliance the state will remove the "probationary" designation and will have no further authority to intervene.

If the deficiencies are not addressed by the GSA, the State Board is authorized to create an interim plan that would remain in effect only until the GSA could assume responsibility with a compliant plan that will achieve sustainability.

Q: What does sustainable groundwater management mean?

A: The aim of the legislation is to have groundwater basins managed within the sustainable yield of each basin. The legislation defines "sustainable groundwater management" as the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results, which are defined as any of the following effects:

- Chronic lowering of groundwater levels (not including overdraft during a drought, if a basin is otherwise managed)
- Significant and unreasonable reductions in groundwater storage
- Significant and unreasonable seawater intrusion
- Significant and unreasonable degradation of water quality
- Significant and unreasonable land subsidence
- Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses

Q: Isn't this basically a state takeover of groundwater?

A: No. At its core, the legislation provides a framework for the improved management of groundwater supplies by local authorities. In fact, it provides protection *against* state intervention, provided that local agencies develop and implement groundwater sustainability plans as required by the legislation. Significantly, the legislation provides tools and authorities some agencies have previously lacked to manage for sustainability. In addition, it provides substantial time (20 years from the time a GSP is adopted) to take the actions necessary to achieve sustainability.

Q: Does this legislation take away the ability of growers to pump groundwater if the current drought continues?

A: No. The legislation will not affect the ability of local water managers and water users to get through the current drought. The legislation allows local managers time to get on the path of sustainability. It recognizes that implementation of local groundwater sustainability plans may take up to 20 years.

Frequently Asked Questions

Q: How does this legislation affect existing water and property rights?

A: The legislation does not change existing groundwater rights. Groundwater rights will continue to be subject to regulation under article 10, section 2, of the California Constitution.

Q: Will this legislation make future adjudications more complicated?

A: No. In fact, it is possible that future adjudications would be made easier because there will be more data and information about the basin and pumpers available. Although it is important to note that the legislation will restrict public release of information related to individual groundwater pumpers.

Q: Does this legislation allocate groundwater for environmental and habitat purposes?

A: The legislation does not allocate water for any purpose. There is no expansion of water rights and the public trust doctrine does not apply to groundwater. Local agencies may choose to address this issue in their plans, if they desire.

Q: Why doesn't this legislation address groundwater recharge as a beneficial use of surface water?

A: Groundwater recharge is currently accomplished by filing a petition with the State Board that demonstrates the water would be put to beneficial use. ACWA members have been working on legislative language to address this matter but have not yet reached agreement on any recommendations.

Q: Where can I get more information on groundwater sustainability?

A: Information is available from the following resources:

California Department of Water Resources Groundwater Information Center

<http://www.water.ca.gov/groundwater/>

ACWA's Recommendations for Achieving Groundwater Sustainability

<http://www.acwa.com/content/groundwater/acwa-recommendations-achieving-groundwater-sustainability>

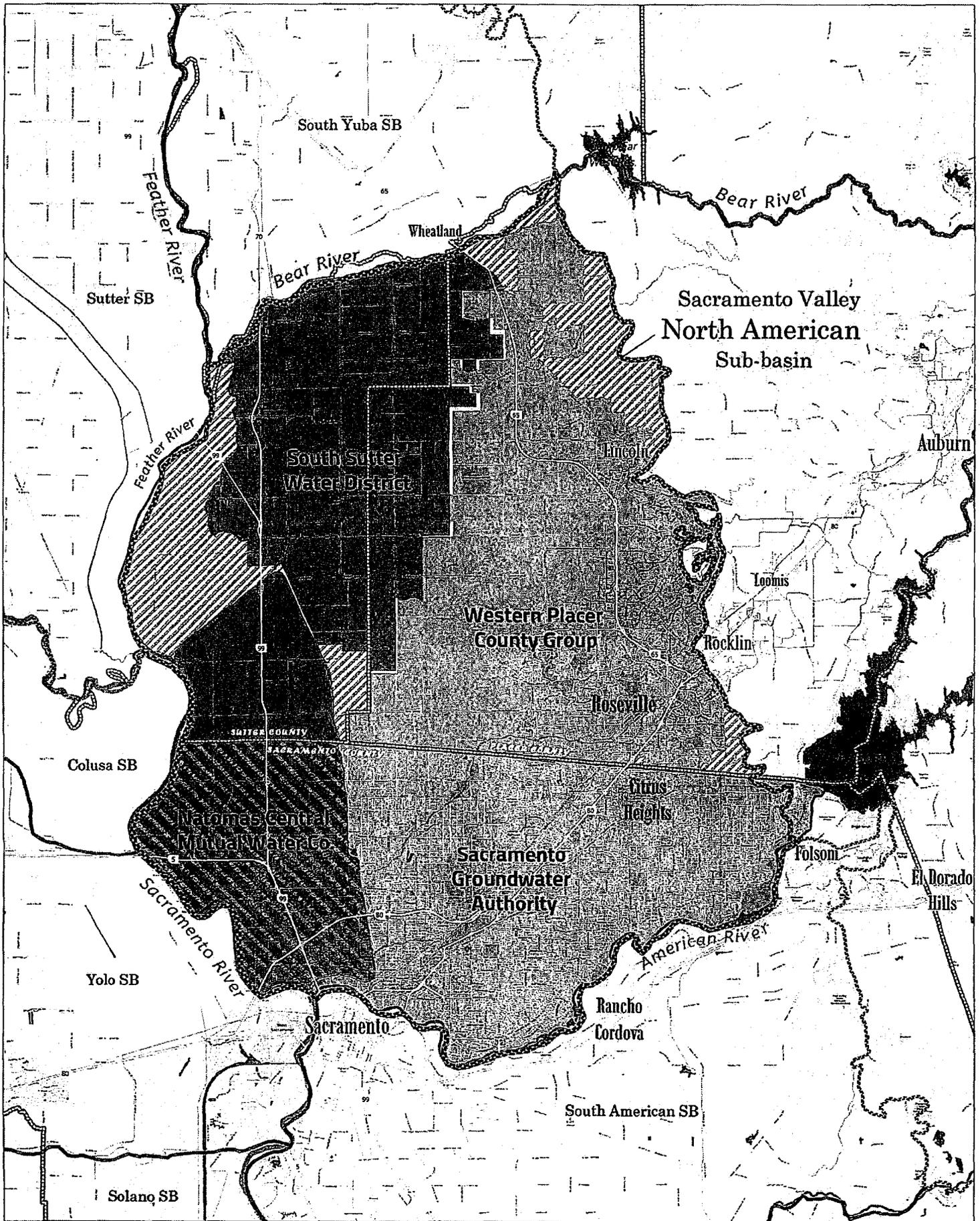
California Water Foundation Information / Recommendations on Groundwater Sustainability

www.californiawaterfoundation.org



Implementation Deadlines

When	Who	What
January 31, 2015	Department of Water Resources (DWR)	Categorize and prioritize basins as high, medium, low, or very low [§ 10722.4(a)]
January 1, 2016	DWR	Adopt regulations for basin boundary adjustments and accept adjustment requests from local agencies [§ 10722.2(4)(b)]
April 1, 2016	Local water agencies or water-masters in adjudicated areas	Submit final judgment /order / decree and required report to DWR (report annually thereafter) [§ 10720.8(f)]
June 1, 2016	DWR	Adopt regulations for evaluating adequacy of Groundwater Sustainability Plans (GSPs) and Groundwater Sustainability Agency (GSA) coordination agreements [§ 10733.2]
December 31, 2016	DWR	Publish report estimating water available for groundwater replenishment [§ 10729(c)]
January 1, 2017	DWR	Publish groundwater sustainability best management practices [§ 10729(d)]
By June 30, 2017	Local agencies	Establish GSAs [§ 10735.2(a)(1)]
After July 1, 2017	State Water Resources Control Board (SWRCB)	Designate basins as probationary where GSAs have not been formed [§ 10735.2(1)]
After July 1, 2017	Groundwater users in probationary basins	File annual groundwater extraction report with SWRCB by December 15 each year [§ 5202]
January 31, 2020	GSAs in medium- and high-priority basins in critical overdraft	Adopt GSPs and begin managing basins under GSPs [§ 10720.7(a)(1)] or alternative [§ 10733.6]
After January 31, 2020	SWRCB	Designate basins as probationary where GSPs have not been adopted in medium- and high-priority basins in critical overdraft [§ 10735.2(1)]
January 31, 2022	GSAs in other medium- and high- priority basins	Adopt GSPs and begin managing basins under GSPs [§ 10720.7(a)(2)]
After January 31, 2022	SWRCB	Designate basins as probationary where GSPs have not been adopted in other medium- and high-priority basins [§ 10735.2(1)]
After January 31, 2025	SWRCB	Designate basins as probationary where GSPs are inadequate or not being implemented, and extractions result in significant depletions of interconnected surface waters [§ 10735.2(a)(5)(B)]
After January 31, 2040	GSAs (in medium- and high-priority basins in critical overdraft)	Achieve groundwater sustainability goals (DWR may grant two five-year extensions upon a showing of good cause) [§ 10727.2(3)(A)]
After January 31, 2042	GSAs (in other medium and high priority basins)	Achieve groundwater sustainability goals (DWR may grant two five-year extensions upon a showing of good cause) [§ 10727.2(3)(A)]



**Sacramento Valley
North American
Sub-basin**

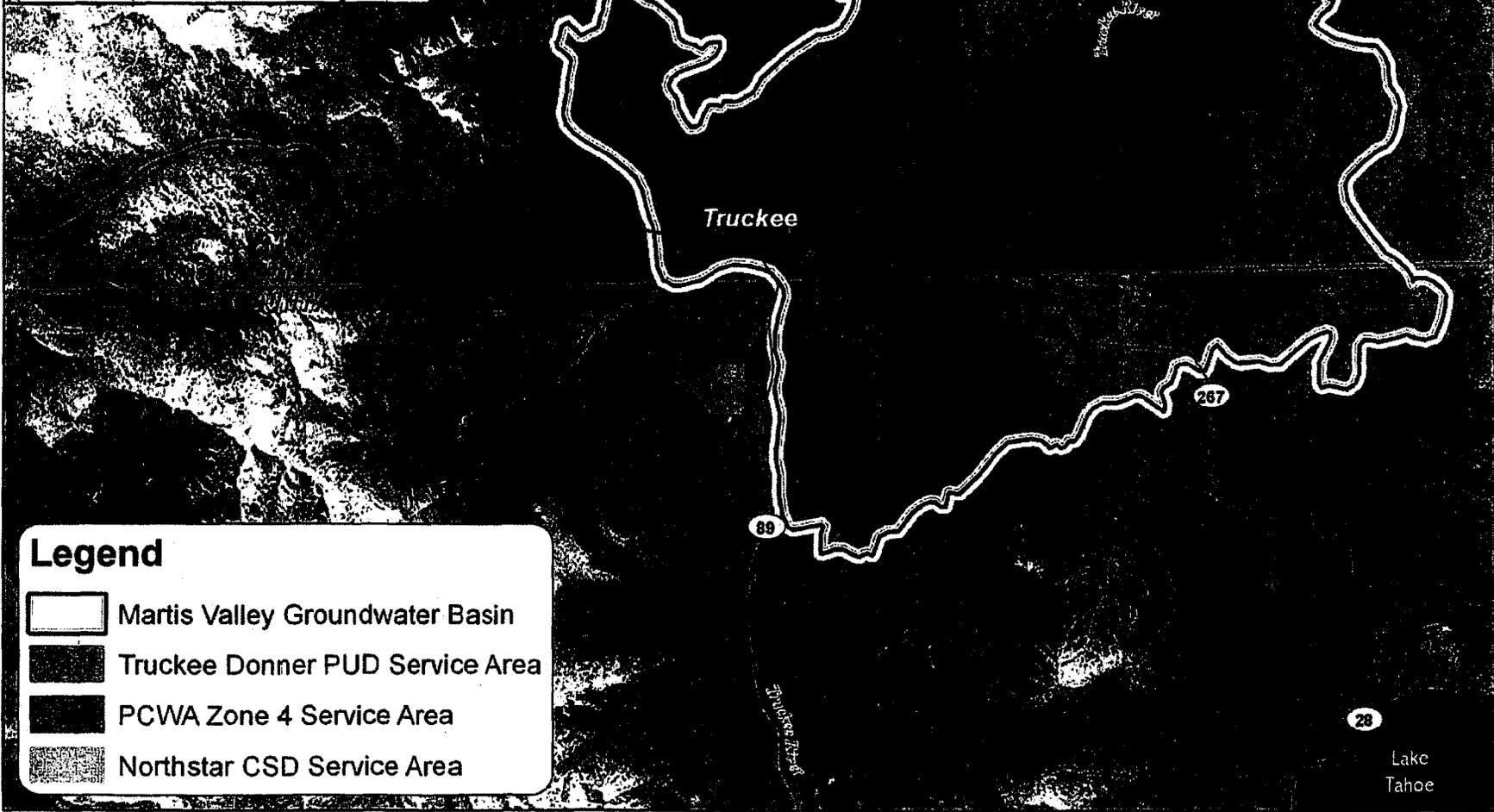
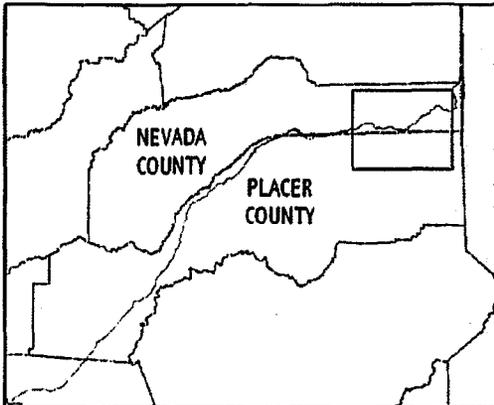


**Groundwater Management Plans
North American Sub-basin**

SWSWD	Natomes Central Mutual Water Co.	Sacramento Groundwater Authority	Western Placer County Group
South Sutter Water District	Colusa SB	Yolo SB	Solano SB
South Yuba SB	Sutter SB	South American SB	Feather River
Bear River	American River	El Dorado Hills	Folsom
Lincoln	Roseville	Citrus Heights	Rocklin
Loomis	Auburn	Rancho Cordova	Sacramento
Wheatland	Sacramento River	American River	Bear River



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Legend

-  Martis Valley Groundwater Basin
-  Truckee Donner PUD Service Area
-  PCWA Zone 4 Service Area
-  Northstar CSD Service Area

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