

## **Agriculture, Environment & Natural Resources Policy Committee**

**Thursday, May 28, 2015 · 10:15 a.m. – 11:45 p.m.**

**CSAC Legislative Conference, Sacramento Sheraton, Camellia Room**

### **\*\*AGENDA\*\***

Supervisor Diane Dillon, Napa County, Chair  
Supervisor Pam Giacomini, Shasta County, Vice-Chair

- |               |   |
|---------------|---|
| 10:15 a.m.    | <b>I. Welcome and Introductions</b><br><i>Supervisor Diane Dillon, Napa County, Chair</i><br><i>Supervisor Pam Giacomini, Shasta County, Vice-Chair</i>   |
| 10:15 – 10:35 | <b>II. Focus on the Drought: California's Agriculture</b><br><i>Paul Wenger, President, California Farm Bureau Federation</i>   |
| 10:35 – 10:50 | <b>III. Sustainable Groundwater Management Act Implementation</b><br><i>David Bolland, Special Projects Manager, Association of California Water Agencies (ACWA)</i>  |
| 10:50 – 11:10 | <b>IV. The State of the Sierra Nevada Forests</b><br><i>Jim Branham, Executive Officer, Sierra Nevada Conservancy</i>   |
| 11:10 – 11:30 | <b>V. Southern California Drought Management Plan</b><br><i>Deven Upadaya, Group Manager, Water Resources, Metropolitan Water District</i>  |
| 11:30 – 11:45 | <b>VI. AENR Legislative &amp; Budget Priorities UPDATE</b> <ul style="list-style-type: none"><li>• Stormwater Funding/Proposition 218</li><li>• Cap and Trade</li><li>• PILT &amp; Fairs</li></ul> <i>Karen Keene, CSAC Senior Legislative Representative</i><br><i>Cara Martinson, CSAC Legislative Representative</i> |
| 11:45 a.m.    | <b>VII. Closing Comments &amp; Adjournment</b><br><i>Supervisor Diane Dillon, Napa County, Chair</i>  |

## ATTACHMENTS

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Attachment One.....The 2014 Sustainable Groundwater Management Act

Attachment Two.....The Sierra Nevada Watershed Improvement Program

Attachment Three.....AENR Legislative & Budget Priorities Update

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**Attachment One**

The 2014 Sustainable Groundwater Management Act

# The 2014 Sustainable Groundwater Management Act:

## A Handbook to Understanding and Implementing the Law

Published by



**WATER EDUCATION  
FOUNDATION**

# The 2014 Sustainable Groundwater Management Act: A Handbook to Understanding and Implementing the Law

*Published by Water Education Foundation*

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The mission of the Water Education Foundation, an impartial, nonprofit organization, is to create a better understanding of water resources and foster public understanding and resolution of water resource issues through facilitation, education and outreach.

**Published 2015**



**WATER EDUCATION  
FOUNDATION**

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# **The Sustainable Groundwater Management Act: An Overview**

California wouldn't be the economic powerhouse it is today without groundwater. The semi-arid, Mediterranean climate only brings so much rain, meaning that for more than 100 years, the ground has been drilled to pump the precious groundwater resource that has helped fuel the state's agricultural industry and establish the development of cities and industries.

The numbers bear this out: on average, groundwater accounts for about 40 percent of the state's annual water supply. That number grows to 60 percent or more in dry years, when creeks, rivers and reservoirs are strapped by drought. But some communities are totally reliant on groundwater, whether it is a drought or not.

Yet, the overreliance on groundwater in some areas has come at a steep price. The advent of bigger and better pumping technology meant more water could be reached from even deeper in the Earth. Pulling out so much water so fast caused the ground to sink or subside, in parts of the San Joaquin Valley, along the coast and in Southern California while creating a crisis of shared supply.

## **What is Groundwater?**

Water gets into the ground mostly through snowmelt and rain seeping into the soil and broken rocks underneath the ground, and through overland flow in channels, such as creeks, streams, rivers and ponds.

The water infiltrating the underground basin moves gradually, pulled by gravity, into the saturated zone of the subsurface. From here, groundwater will flow toward points of discharge such as rivers, lakes or the ocean to begin the cycle anew. Groundwater is collected with wells and pumps, or it can flow naturally to the surface via seepage or springs.

Groundwater can be thousands of years old, although typically it is extracted within years or decades after it originally moves underground through small openings within porous material, called aquifers.

Aquifers can be several feet thick or several thousand feet thick. California's alluvial aquifers are composed of gravel, sand, silt and clay that have been eroded from surrounding rocks and then are deposited by running water and sometimes wind. Aquifers in the Central Valley and in the Los Angeles area can hold large quantities of water. California's largest and most heavily used groundwater basins are in the Central Valley.

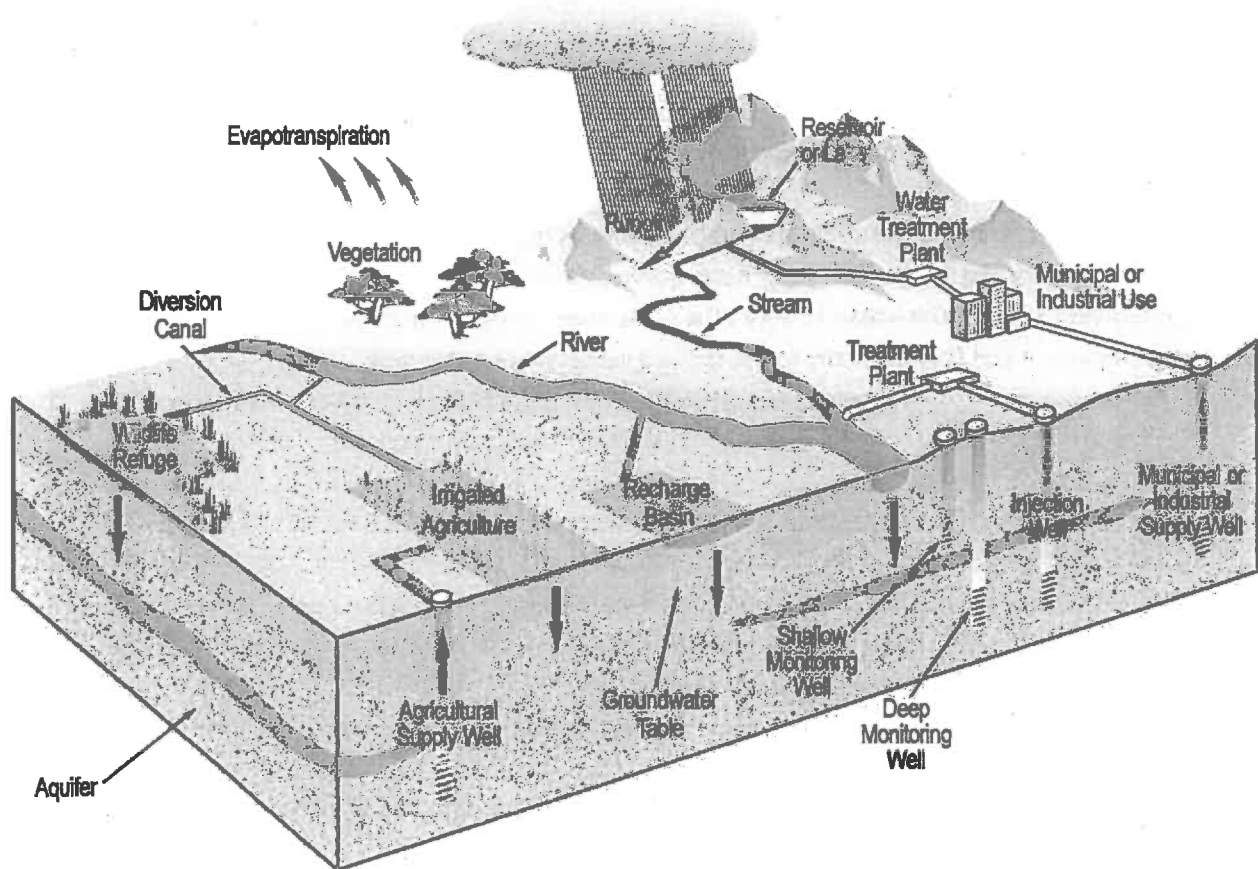
Because these alluvial aquifers are generally very permeable they can provide large quantities of water to wells.

Although the exact number of water wells in California is unknown, DWR figures and other calculations show that there are 700,000 to more than 1 million wells in the state.

Statewide, the Department of Water Resources (DWR) believes the annual rate of overdraft – taking more water from aquifers than can be replenished by rain and other means – to be 1 million to 2 million acre-feet. During the past three-year drought, there is concern that overdraft has increased, especially in the Central Valley.

The drought resulted in many new wells being drilled in Shasta, Butte, Stanislaus, Merced, Fresno, Kern, Kings, and Tulare counties, with Fresno and Tulare leading the way at more than 350 new wells, according to DWR. Because of the rate of pumping, areas with a higher potential for future subsidence are located in the southern San Joaquin, Antelope, Coachella, and western Sacramento valleys.

The issue of overdraft is one topic that led to periodic discussions about whether California needed statewide groundwater regulation even as regional management efforts in some areas proved that municipal water agencies, water replenishment districts and irrigation districts could develop methods to balance groundwater extraction and recharge and reduce groundwater overdraft.



In 2014 as the Legislature investigated the extent of the problem, members learned that data from the National Aeronautics and Space Administration (NASA)/German Aerospace Center Gravity Recovery and Climate Experiment (Grace) satellites revealed that between 2003 and 2009 the aquifers for the Central Valley and its major mountain water source, the Sierra Nevada, had lost almost 26 million acre-feet of water – which is nearly enough water combined to fill Lake Mead, America’s largest reservoir. Thus, members began to deliberate on a statewide management bill.

In his 2014 California Water Action Plan, Gov. Jerry Brown noted the need to instill sustainable groundwater management:

“Groundwater is a critical buffer to the impacts of prolonged dry periods and climate change on our water system,” the Plan said. “When a basin is at risk of permanent damage, and local and regional entities have not made sufficient progress to correct the problem, the state should protect the basin and its users until an adequate local program is in place.”

In September Brown signed the Sustainable Groundwater Management Act (SGMA). The law’s intent is for local and regional agencies to develop and implement sustainable groundwater plans with the state as the backstop – should it prove necessary – to adopt an interim groundwater management plan.

Prior to the SGMA that went into effect Jan. 1, 2015, some groundwater basins were managed under the auspices of legislatively created special districts. Some of these districts have the authority to regulate how much water is pumped and, in some cases, to levy fees to support their actions.

According to a legislative analysis, more than 20 counties adopted ordinances governing the use of groundwater, including specifically banning transfers of groundwater outside of their jurisdiction. Counties also issue drilling permits for new wells.

There are at least 22 groundwater basins, mostly in Southern California, that have been adjudicated – a process in which the court decides how much groundwater can rightfully be extracted by each landowner. The court appoints a watermaster to regulate the adjudication.

Some 149 groundwater management plans in California were developed after the “AB 3030” law was passed almost 25 years ago. The law allowed local agencies to develop groundwater management plans to account for issues such as seawater intrusion, wellhead protection, recharge, groundwater cleanup, overdraft, conjunctive use, storage, conservation, recycling and extraction projects.

But the plans were strictly voluntary and did not allow local entities to control extractions from the groundwater basin. Thus, overdraft and land subsidence continued to be a problem in many areas.

In 2009 one component of the comprehensive water legislation in SB 6 X7, established a statewide groundwater elevation monitoring program, but not individual groundwater well extraction monitoring, to track seasonal and long-term trends in groundwater elevations in California’s groundwater basins. Data from this program demonstrated the severity of the overdraft issues and generated a debate about whether a stronger groundwater management system was needed.

Lawmakers spent the better part of 2014 looking at how to deal with groundwater and came up with a series of bills that evolved into the SGMA. According to the Act, sustainable groundwater management means “the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.”



## The SGMA

The Sustainable Groundwater Management Act (SGMA) gives local agencies the authorities to manage groundwater in a sustainable manner and allows for limited state intervention when necessary to protect groundwater resources. The SGMA requires the creation of groundwater sustainability agencies to develop and implement local plans allowing 20 years to achieve sustainability. The SGMA provides a state framework to regulate groundwater for the first time in California history.

The SGMA specifically:

- Establishes a definition of sustainable groundwater management
- Establishes a framework for local agencies to develop plans and implement strategies to sustainably manage groundwater resources
- Prioritizes basins with the greatest problems (ranked as high- and medium-priority)
- Sets a 20-year timeline for implementation.

The SGMA includes provisions to promote engagement by interested parties in the formation of a GSA and development and implementation of a GSP. GSAs have to identify key parties and maintain records that spell out plans on how to include their interests in GSA operations and GSP development. The Act requires the GSA to provide this information to DWR.

The GSA is the primary agency responsible for achieving sustainability within the timeframe. The SGMA includes many new authorities and tools for GSAs. For example, in developing a GSP, a GSA may opt to conduct investigations, measure and limit extraction, require registration of wells or impose fees for groundwater management. Under the Act, DWR has the lead role in working with local agencies in implementing its provisions. DWR is available to provide technical assistance to GSAs.

The SGMA, a product of an exhaustive consultative process with water agencies, business interests, environmental organizations, and farmers, required DWR to identify high- and medium-priority basins that must establish Groundwater Sustainability Agencies (GSAs). In December DWR confirmed that the classifications it announced in June 2014 through the California Statewide Groundwater Elevation Monitoring (CASGEM) system would be used in conjunction with the law.

The GSAs, made up of one or more local agencies overlying a groundwater basin, will be required to develop Groundwater Sustainability Plans (GSPs). GSAs responsible for high- and medium-priority basins must adopt GSPs 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 the California Environmental Quality Act (CEQA).

GSPs 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. GSPs can build upon existing groundwater plans.

## **Key Definitions in the SGMA**

**“Sustainable yield,”** according to the SGMA, means the maximum quantity of water – calculated over a base period representative of long-term conditions in the basin and including any temporary surplus – that can be withdrawn annually from a groundwater supply without causing an undesirable result.

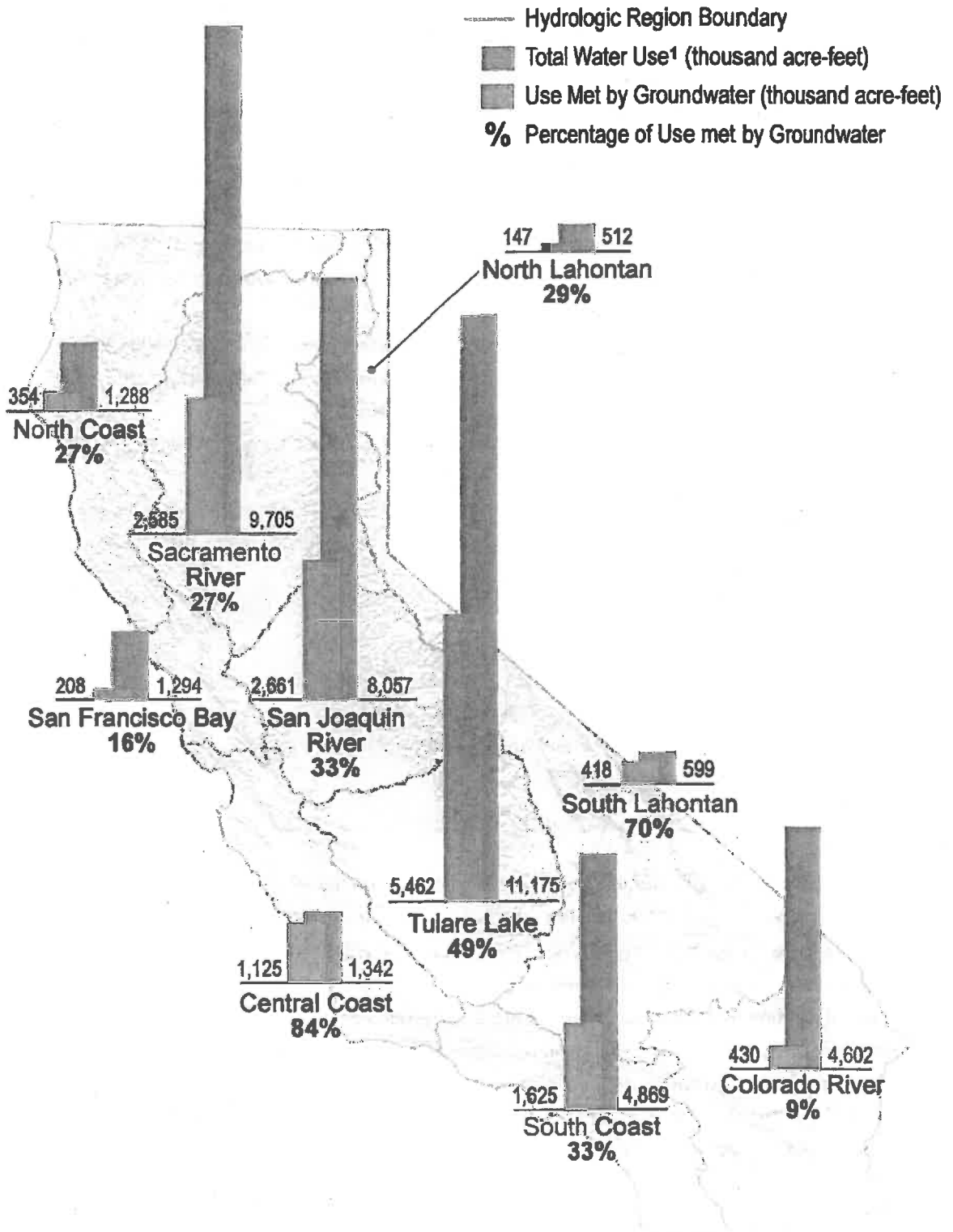
The act further defines **“sustainable groundwater management”** as the **“management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.”**

**“Undesirable result”** means any of the following effects caused by groundwater conditions occurring throughout the basin:

- **Chronic lowering of groundwater levels, but excluding reductions in groundwater levels during a drought if they are offset by increases in groundwater levels during other periods;**
- **Significant and unreasonable reductions in groundwater storage;**
- **Significant and unreasonable seawater intrusion;**
- **Significant and unreasonable degradation of water quality;**
- **Significant and unreasonable land subsidence; and**
- **Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses.**

Overdrafted basins must achieve groundwater sustainability by 2040 or 2042, predicated on the completion of plans, which are expected to take five to seven years to complete. If deadlines aren't met, the State Water Resources Control Board (State Water Board) can intervene and establish an interim plan, after public notice and hearing.

The law stipulates that it is not a “one size fits all” approach and that each groundwater basin is different. It does not remove the distinction between surface water rights and the personal, private property right to pump groundwater and does not allow the disclosure of how much water an individual pumps. The state, according to the SGMA, can intervene only in extreme conditions when local control is inadequate.



1. Total Water Use is defined as the sum of water uses for agricultural, urban, and managed wetlands.

Source: DWR

# Approach and Options for New Groundwater Governance

Prior to passage of the SGMA, groundwater was largely unregulated in the state of California, especially compared to the comprehensive permit system for the state's surface water rights. California was the last state in the West to adopt a groundwater management law.

Historically there were four basic options for local groundwater management: management by local agencies under AB 3030, management by special act districts under special authority granted by state statute, city and county ordinances, or court adjudications.

## **Management by Local Agencies Under AB3030 and SB1938**

In 1992 the state adopted AB 3030 (Water Code Section 10750-10756) so local agencies could voluntarily create a plan to manage groundwater and tackle issues such as sea water intrusion into drinking water wells, groundwater overdraft and contaminated groundwater. Better coordination of using surface water and groundwater supplies, known as conjunctive use, was another focus of some plans.

Subsequently, the Legislature passed SB 1938 in 2002 requiring public agencies seeking state funding for groundwater projects to submit a management plan to DWR with specified components. To date, 149 groundwater management plans have been developed. As of 2013 (under terms of AB 359) a copy of all plans are required to be submitted to the state for public information and use.

These laws encouraged local groundwater management planning, and some regions have made progress to improve management efforts. But the laws did not require the plans to achieve a sustainable management goal for the groundwater basin and did not provide local agencies the authorities needed to effectively manage a groundwater basin.

## **Management by Special Act Districts**

Another form of local groundwater management is special act districts. These are created by the Legislature in response to specific concerns. Their powers are customized to the problems and solutions of a particular groundwater basin. For example, the Orange County Water District statute provided for the district to establish a groundwater replenishment assessment, commonly known as a pump tax. The Legislature granted the Santa Clara Valley Water District similar authorities. In addition, 12 other special groundwater management districts have been established through a special act of the Legislature with the specific authority to manage groundwater, although the authority of each agency varies. These special districts are: Desert Water Agency, Fox Canyon Groundwater Management Agency, Honey Lake Groundwater Management District, Long Valley Groundwater Management District, Mendocino City Community Services District, Mono County Tri-Valley Groundwater Management District, Monterey Peninsula Water Management District, Ojai Groundwater Management Agency, Pajaro Valley Water Management Agency, Sierra Valley Groundwater Management District, Willow Creek Groundwater Management Agency and, most recently, the Paso Robles Basin Management District authorized in 2014 by AB 2453.

## **Local Ordinances**

Counties and cities have constitutional police power to regulate the use of groundwater. Virtually all local jurisdictions regulate well permitting. In the early 1990s some counties began to pass local groundwater ordinances primarily designed to discourage transferring groundwater from one county to a user in another county – a practice that became controversial during the 1987-1992 drought. More recently a few counties, such as San Luis Obispo, are using their authorities to manage groundwater use through limitations on well permits. According to DWR, 30 of the state's 58 counties have adopted groundwater ordinances.

The power of counties to regulate groundwater has been challenged, but in 1995 the California Supreme Court declined to review an appeal of a lower court decision, upholding the authority for such local ordinances through county's existing police powers.

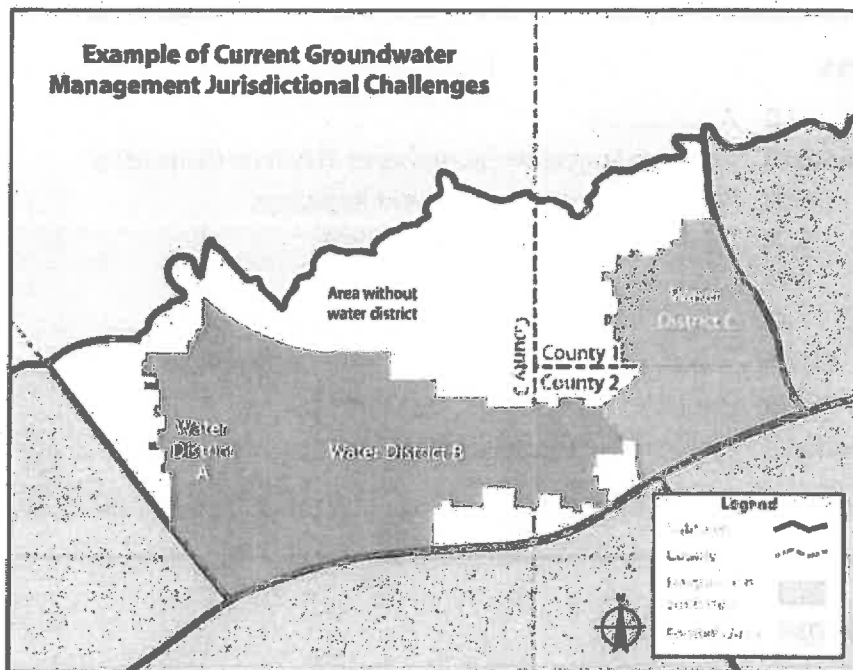
## **Groundwater Adjudication**

When multiple parties withdraw water from the same aquifer, groundwater pumpers can ask the court to adjudicate, or hear arguments for and against, to better define the rights that various entities or individuals have to use the groundwater resources. Pumpers are assigned a designated share of the basin's water resources, and watermasters are typically appointed by the court to ensure that pumping conforms to the limits defined by the adjudication. Litigation, however, is time-consuming and costly, in part because of the multiple factual questions that must be addressed, including the identity of the pumpers, the respective amounts of historical production, the boundaries of the groundwater basin, and the history of the basin's hydrogeologic status to determine, among other things, when overdraft began. Many adjudications have taken decades to complete.

### **Adjudicated Basins**

DWR recognizes 22 adjudicated basins. Most of the adjudications have been in Southern California, where development pressures – and groundwater overdraft – quickly overwhelmed limited aquifers. They are: Beaumont Basin (2004), Brite Basin (1970), Central Basin (1965), Chino Basin (1978), Cucamonga Basin (1978), Cummings Basin (1972), Goleta Basin (1989), Main San Gabriel Basin (1973), Mojave Basin Area (1996), Puente Basin (1985), Raymond Basin (1944), Santa Margarita River Watershed (1966), Santa Maria Valley Basin (2008), Santa Paula Basin (1996), Scott River System (1980), Seaside Basin (2006), Six Basins (1998), Tehachapi Basin (1973), Upper Los Angeles River Area (1979), Warren Valley Basin (1977), West Coast Basin (1961) and Western San Bernardino (1969).

The SGMA includes four other basins on its list of adjudicated basins. They are: Lytle Basin, Rialto-Colton Basin, Riverside Basin and San Jacinto Basin. Three other basins in which court processes are underway are also identified in the Act that they will be "treated as an adjudicated basin...if the superior court issues a final judgment, order or decree." They comprise the Antelope Valley cases, Inyo County Case No. 12908 and the Los Osos Groundwater Basin.



Groundwater management is not easy. The resource is out of sight, which can make it difficult to determine water levels, quality and other factors. Basin boundaries are impossible to see. And the boundaries of a basin don't neatly follow jurisdictional lines. In fact, most of the state's basins underlie more than one county or water agency. The basins are quite large in some areas of the state and often consist of subbasins. In addition, most aquifers are being tapped by multiple parties including water agencies or other entities that have systems distributing the groundwater. Individual landowners also are utilizing their right to pump and use the groundwater on their land – and they may reside outside of the boundaries of a water or irrigation district. In basins not managed or regulated by an adjudication, each party can pump as much as it wants and if the groundwater level drops, new and deeper wells can further impact other, neighboring wells. Some refer to such groundwater depletion as a “tragedy of the commons.”

The groundwater basin boundaries in the SGMA are those as defined in DWR's Bulletin 118 report on groundwater, which was updated in 2003. There are currently 431 groundwater basins delineated. Of those, 24 basins are subdivided into 108 subbasins for a total of 515 distinct basins. According to Bulletin 118, the basin boundaries were derived primarily by identifying alluvial sediments on geologic maps, using the best available information. (See Basin map Bulletin 118.)

Overlapping jurisdictions exist in many of these basins and there is the potential for questions over which of several existing local agencies should be the designated as the GSA. The GSA allows for the sharing of basin governance through several means including memorandum of agreement, a joint powers agreement or other legal agreement. A basin can thus be managed by several separate GSAs, or just one.

Overall, communication and coordination among multiple stakeholders and governmental entities will be key to addressing these challenges and successfully implementing the SGMA.

## Acronyms

<b>AB</b>	Assembly Bill
<b>CASGEM</b>	California Statewide Groundwater Elevation Monitoring
<b>DWR</b>	California Department of Water Resources
<b>GSA</b>	Groundwater Sustainability Agency
<b>GSP</b>	Groundwater Sustainability Plan
<b>SB</b>	Senate Bill
<b>SGMA</b>	Sustainable Groundwater Management Act of 2014
<b>State Water Board</b>	State Water Resources Control Board
<b>Water Code</b>	California Water Code

## Groundwater Rights

Primarily, landowners in California are entitled to pump and use a reasonable amount of groundwater from a basin underlying their land to put it to a beneficial, nonwasteful use. When there is insufficient water to meet the demands of landowners, they are expected to reduce their use to bring extractions into the "safe yield" of the basin to prevent overdraft. Safe yield is the rate at which groundwater can be withdrawn without causing long-term decline of water levels or other undesirable effects such as subsidence.

Disputes stemming from overdraft and efforts to confine pumping to the basin's safe yield were the underlying factors of most of the court-adjudicated groundwater basins. Once the groundwater basin has been adjudicated, a court can assign specific pumping extractions to each groundwater user or group of users.

The SGMA is designed to address issues related to both overdraft and safe yield, but does not change existing groundwater rights. Specifically, Water Code section 10720.5(b) says that nothing in the legislation "determines or alters surface water rights or groundwater rights under common law or any provisions of law that determines or grants surface water rights."

While there is some concern the SGMA will undermine the authority of the local agencies or private property owners, the mandate of the Act is to first provide authority and control at the *local level* to develop and implement GSPs, and that only if local entities fail to do so would the state step in. Additionally, there was never an unfettered right for private property owners to pump as much water as one could – the Constitution has always mandated that it be put to beneficial use.

## **What is a GSA?**

Any local agency or combination of local agencies overlying a groundwater basin may form a GSA for the basin. "Local agency" means a local public agency that has water supply, water management or land use responsibilities within a groundwater basin. The law requires that GSAs be formed by June 30, 2017.

The SGMA identified 43 groundwater basins as high-priority and 84 as medium-priority. These 127 basins must adopt groundwater management plans by 2020 or 2022, depending upon whether the basin is in critical overdraft. GSAs will have until 2040 or 2042 to achieve groundwater sustainability. These 127 basins account for approximately 96 percent of the groundwater used in the state. Most of these basins are in the Central Valley or along the Central and South Coast. Many are currently in overdraft.

The groundwater basins across the state were designated as high, medium, low or very low in the law based on data derived through DWR's California Statewide Groundwater Elevation Monitoring (CASGEM) program. (See map.) The CASGEM program was authorized in 2009 with passage of SB 6 X7, establishing a statewide groundwater elevation monitoring program, but not individual groundwater well extraction monitoring, to track seasonal and long-term trends in groundwater elevations in California's groundwater basins. In mid-December 2014, DWR concluded that the basin prioritization finalized in June 2014 under the CASGEM program will be the initial ranking for the SGMA. Local agencies can request that DWR revise the defined groundwater basin boundaries. DWR is required to adopt regulations by Jan. 1, 2016, for determining what information is necessary when filing such a request. Formation of a GSA and development of GSPs are encouraged – but not required – for those basins categorized in CASGEM as low or very low priority.

Adjudicated basins listed in the Act are not required to form a GSA or develop GSPs. They are required only to submit an annual report to DWR that contains much of the same information already required by the court.

A local agency can forego formation of a GSA and submit an alternative plan to DWR if it believes the alternative meets the objectives of the Act. If the agency believes an alternative will satisfy SGMA it has until Jan. 1, 2017 to submit the plan to DWR for review. In the SGMA such plans include existing local agency management that has been monitoring groundwater elevation since at least Jan. 1, 2010, any plans based on adjudication (the watermaster is required to submit the judgment to DWR by April 1, 2016), or an analysis that demonstrates the basin has operated within its sustainable yield for at least 10 years. DWR is required to assess the alternative to determine if it satisfies the objectives of the Act. If it does not, the local agency would be required to form a GSA and develop a GSP.

In most cases the SGMA does not delegate which local agency should be a GSA but instead leaves that decision to the local interests. The only exception is for special act districts formed through state law to manage groundwater in a local basin. The Act lists 15 special act districts that shall be the GSA in their service area boundaries, although those districts have the option to opt out if they choose.

If an area over a basin is not within the management area of a GSA, the local county will be presumed to be the GSA for that area unless it opts out. The county is required to notify DWR whether it will or will not be the GSA for the area.



### **What Does a GSA Do?**

A GSA is the primary agency responsible for achieving groundwater sustainability. A GSA is required to develop and implement a GSP that considers the interests of all beneficial uses and users of groundwater for high- and medium-priority basins. The SGMA allows a basin to have one or multiple GSPs, but requires development of a coordination agreement between GSAs if there are multiple GSPs.

The plan must include measurable objectives for the basin to achieve sustainability in the 20-year timeframe. The GSP also must include a physical description of the basin, including groundwater levels, quality, subsidence and groundwater-surface water interaction. DWR will review the plans and will have the power to request changes to a submitted plan. DWR must adopt regulations for how it is going to evaluate GSPs by June 1, 2016. GSAs will have until 2020 or 2022 to adopt a GSP, depending on whether the basin is in critical overdraft.

### **What Basins are in Critical Overdraft?**

Basins identified in Bulletin 118 as being "critically overdrafted" are supposed to adopt a management plan by 2020. Those that are not considered "critically overdrafted" have until 2022 to adopt a GSP.

When Bulletin 118 was first published in 1978 the definition for critical overdraft was: a basin is subject to critical conditions of overdraft when continuation of present water management practices would probably result in significant adverse overdraft-related environmental, social or economic impacts.

According to the 2003 update of Bulletin 118, "This update did not include similar direction from the Legislature, nor funding to undertake evaluation of the State's groundwater basins to determine whether they are in a state of overdraft." DWR officials are now evaluating how to determine overdraft in relation to the SGMA.

Meanwhile, the 11 basins originally identified in Bulletin 118 are: Chowchilla Basin, Cuyama Valley Basin, Eastern San Joaquin County Basin, Kaweah Basin, Kern County Basin, Kings Basin, Madera Basin, Pajaro Basin, Tulare Lake Basin, Tule Basin and Ventura Central Basin.

The SGMA gives GSAs numerous new tools and authorities to manage the groundwater and implement the objectives of the GSP. These include the authority to conduct investigations, determine the sustainable yield of a groundwater basin, measure and limit extraction, impose fees for groundwater management, and enforce the terms of a GSP. These authorities can be implemented by one or multiple GSAs. What authorities each GSA assumes will be one of the key decisions in forming a GSA.

The SGMA amends state planning and zoning law to require increased coordination between land use planning agencies and GSAs.

## Options for Governance

Multiple entities. Multiple uses. Multiple concerns. Those are just three of the big challenges related to governing a groundwater basin and how to form a GSA. The physical size of a basin can be another major issue.

In general there are three different models of governance: centralized, distributed, or a combination of the two.

### Centralized Governance

Under this model, one agency would assume all the responsibilities and authorities for the entire basin. However, it is likely that a centralized GSA would still need to coordinate with local land use and water agencies in the basin. These entities also would likely be members of the centralized GSA.

An existing local agency may assume this role or a new entity could be formed. As a centralized governing body, an existing agency (such as a water district) would likely need to modify current service area boundaries to cover the entire basin. A new centralized GSA could be formed through creation of a Joint Powers Agency or through new state legislation forming a special act district. A single, centralized GSA might be an efficient way to manage a basin and oversee the development

### Centralized GSA

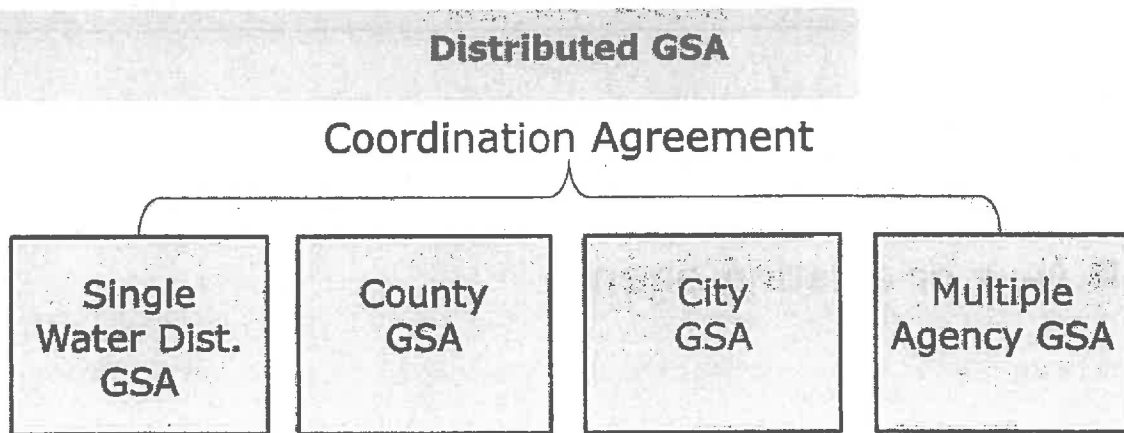
- Covers entire basin
- Assumes all authorities and responsibilities
- New or existing agency

and management of a GSP. Data collection and management would fit within one model, relying on standard personnel and computer software.

However, there are downsides to a centralized agency model. Pursuing special legislation is time consuming and success is not predictable. Also existing agencies in many basins will be concerned about delegating all authority to one entity if it results in a local agency having less responsibility for groundwater management in its current service area. It also might be difficult for one agency to take on the task of developing a plan to manage a multi-use, multi-jurisdictional groundwater basin. Even if one agency were determined to be the GSA, it still would require collaboration among other agencies/entities in the basin to create the GSP.

### **Distributed Governance**

A distributed model would allow for the establishment of several GSAs covering the basin with the authorities for planning, implementation and monitoring all distributed among each GSA. This would allow many existing local agencies to retain existing authorities and assume new authorities for groundwater management in their existing service area and allow for more localized control. This option would require significant coordination among all the entities because each GSA would be developing its own GSP, implementing its GSP and monitoring its portion of the basin to ensure the basin as a whole meets the goal of sustainable yield. In the areas of the basin where a local agency does not assume the GSA responsibilities, the county would be the GSA, unless it opts out of this responsibility.

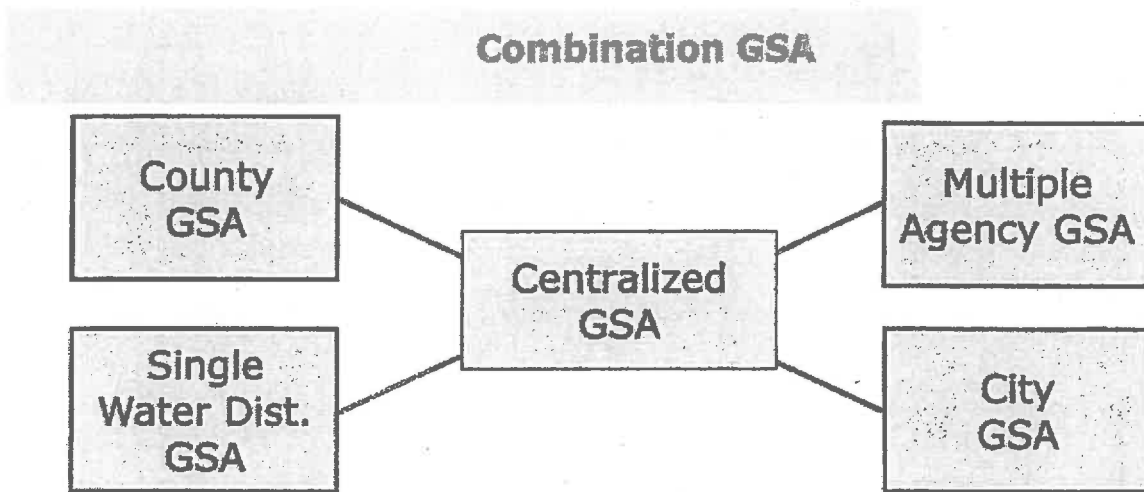


- Each GSA assumes all responsibilities for their service area
- Coordination Agreement required (MOU)

### Combination of centralized and distributed

A combination model centralizes some authorities and tasks and distributes others among multiple agencies. For example, one approach could place general tasks related to planning, public outreach and coordination with the centralized GSA, and the management and enforcement tasks split among multiple GSAs. This model offers maximum flexibility for distributing the authorities and responsibilities.

This model provides options for centralizing those tasks that may require a high level of coordination and distributing other tasks that may be more effectively implemented by an existing agency or JPA in their jurisdiction.



- Centralized GSA: assumes some shared responsibilities
- Multiple GSAs: assume remaining responsibilities

# Step-by-Step Process to Developing a GSA

The task of developing a governance structure to implement the SGMA responsibilities and authorities can be challenging for many regions. Here is a six-step process to consider:

1. Identify the basins
2. Identify and work with local agencies
3. Understand your basin and available resources
4. Identify and involve key stakeholders in your area
5. Evaluate tasks and authorities and who wants to do what
6. Evaluate and propose governance model

## 1) Identify what groundwater basins are in your region

A key first step is to determine if your groundwater basin(s) or subbasin(s) are subject to the SGMA.

The SGMA identified 127 groundwater basins that would be subject to its requirement (43 high-priority and 84 medium-priority). However, it exempted specific adjudicated basins (listed in the Act) from the formation of a GSA and development of a GSP. As a county or city agency you may have multiple groundwater basins in your jurisdiction and those basins are likely to overlap with neighboring counties.

If you are a water agency you may also overlap one or more basins and overlap with one or more counties. This initial mapping of boundaries will provide information that helps you assess whether your region may want to discuss changes to the current Bulletin 118 basin boundaries to support sustainable groundwater management.

You can find basin boundary, prioritization, and adjudication information at:

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

## 2) Identify and work with the local agencies in the basin

The Act provides a definition of what agencies can be a GSA so it's important to identify all the agencies within a groundwater basin, and coordinate with them to determine their interests in groundwater management and what role they may want to have in future management and GSA formation, and their key concerns. Note that the SGMA gives certain special act districts priority for electing to be a local GSA in the basin.

Although discussion of new authorities and responsibilities can often push local agencies into new and possibly uncomfortable situations, the benefits of multiparty discussions may allow for creative opportunities. Each local agency can bring different and unique authorities, resources, interests, and expertise to groundwater management, potentially making the management solutions more attainable.

DWR is developing information that easily identifies the eligible local agencies for each basin. Other resources include a city or county public works department or water bills to obtain contact information. Private well owners can check with the county tax assessor to see if they are in the

boundaries of an existing water agency. They will most likely need their parcel number, sometimes called the Assessor's Parcel Number or APN.

Find information here:

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

Find counties listed by hydrologic regions here: [www.water.ca.gov/landwateruse/images/maps/California-County.pdf](http://www.water.ca.gov/landwateruse/images/maps/California-County.pdf)

Find local water districts by county here: [www.acwa.com/content/locate-your-california-water-agency](http://www.acwa.com/content/locate-your-california-water-agency)

### **3) Understand your basin conditions and resources in the region**

Collect and share all existing information regarding the groundwater basin with the local agencies and interested stakeholders in your basin. This will help you establish the current level of expertise, information and resources available in the basin for groundwater management. Understanding the basin and the current level of groundwater use, the status of long term overdraft or other potential problems will be a key factor in deciding what type of GSA, and authorities and geographic boundaries can best address the problems.

Find out if groundwater management plans already exists. Many local agencies have already developed plans under the requirements of AB 3030 or SB 1938 that have information on basin conditions and current water management strategies.

Current plans are likely to form the foundation for many GSPs. And in some cases a local agency may determine its current plan meets the objective of the act and could be submitted as an alternative – potentially avoiding the creation of a GSA and new plan altogether.

Information is available on the DWR website:

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

Local water agencies or other local entities may have groundwater models that can assist in understanding how the basin responds to various conditions of pumping and rainfall. The state can also assist in determining what resources exist in the basin. The DWR groundwater website: <http://www.water.ca.gov/groundwater> offers extensive information.

DWR also has regional offices, where one staff person is assigned as a groundwater contact point: <http://www.water.ca.gov/groundwater/contacts.cfm>

State or private universities in your region may offer experts on different aspects of water supply and water quality issues, hydrology, geology, engineering and other studies that relate to groundwater. One resource is the UC Cooperative Extension Groundwater Program at UC Davis: <http://groundwater.ucdavis.edu>

Nongovernmental agencies that could provide useful information include the

- Association of California Water Agencies [www.acwa.com](http://www.acwa.com)
- Groundwater Resources Association of California: <http://www.grac.org>

#### **4) Identify and involve key stakeholders in the basin**

In addition to the local agencies that are eligible to become a GSA, local stakeholders in a basin also will play a key role in GSA formation. Such stakeholders include individual landowners (agricultural and domestic) that have private wells, environmental users of groundwater, tribes, private water companies and disadvantaged communities. Nongovernmental organizations (NGOs) are not eligible to be on the actual governance board of a GSA or become a GSA, but it is important to engage them since they are affected by the governance decisions and future management of the basin, and may be key to final agreement of any GSA option.

The SGMA has specific requirements associated with engaging interested stakeholders. For example it requires a GSA to establish and maintain a list of all persons interested in groundwater issues including plan preparation, and other relevant documents. And as part of the final request to DWR for form a GSA, the local agency is required to include the list of interested parties and explain how those parties will participate in the development and operation of the GSA and the development and implementation of the GSP. Reach out to these groups via local farm bureaus, chambers of commerce, city council or county boards of supervisors meetings, local service clubs, other nongovernmental organizations and news media.

Many regions already have stakeholder groups that provide advice or input on regional water resource management such as county water advisory committees, technical advisory groups, or integrated regional water management planning groups. At a minimum, these existing advisory groups may be helpful initially as local agencies take the first step to gain input on GSA formation and identify processes for future stakeholder engagement.

#### **5) Evaluate tasks and authorities of a GSA and who wants to do what**

Becoming a GSA involves assuming a wide range of tasks and authorities. Those tasks and authorities can be shared and distributed among multiple GSAs or combined and centralized into one GSA. Before choosing a governance model, it is important to understand each of the responsibilities and evaluate which tasks may be best distributed and which may be best centralized. This understanding of the tasks will inform the eligible local agencies as to what role and level of engagement they may want to assume in the basin. The range of tasks and authorities for a GSA included the following:

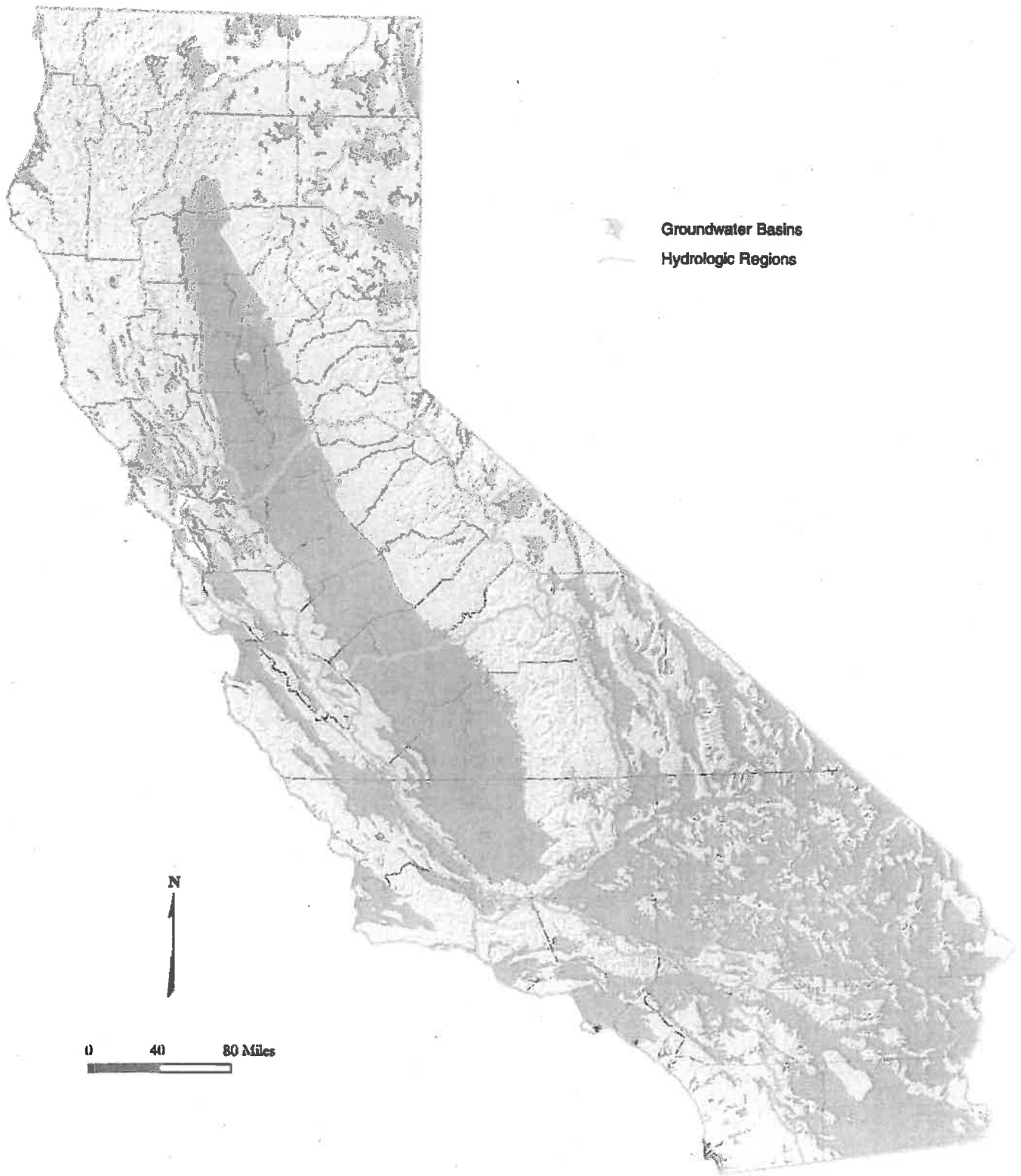
- **Coordination** – Regardless of the governance model selected there will be a need to coordinate with other local agencies in the basin and with agencies in neighboring basins.
- **Public outreach and stakeholder engagement** – GSAs must maintain lists of interested stakeholders and engage those interested parties in GSP development and implementation
- **GSP development** – one or more GSPs are required for every basin. If multiple GSPs are developed a coordination agreement is also required.
- **Monitoring and reporting** – Additional monitoring of groundwater levels, subsidence or water quality will likely be needed to track progress in meeting the sustainable yield and basin impacts. Annual reports must be submitted to DWR on the status of the basin to allow DWR to determine the progress in meeting the sustainability goals and objectives identified in the GSP.

- **Implementation** – This includes the actions and strategies identified in the GSP to achieve sustainability and may include imposition of new fees on pumping, measurement of use at individual wells, investment in water management strategies such as water conservation, conjunctive use or new recharge facilities, or limits on new well permits issued by the county.
- **Enforcement** – A GSA will need to enforce the provisions adopted which may include payment of fees, reporting on water use, or limitations on pumping.

#### **6) Determine which model of governance works best for your region**

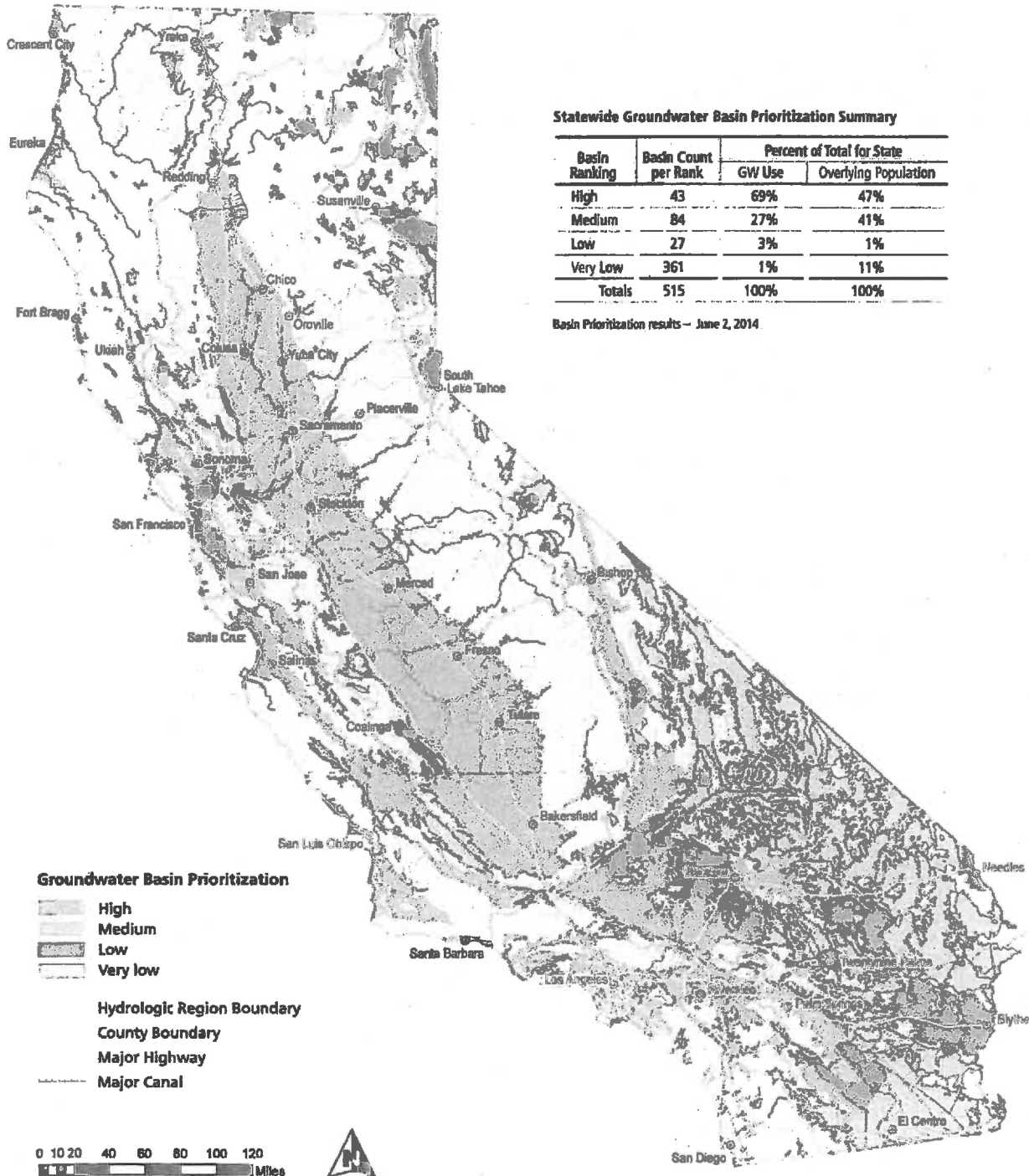
The SGMA allows local agencies choose their local governance structure. Local agencies can determine if a centralized, distributed or combination model works best for them. Meet with local agencies and discuss all the authorities and requirements under the SGMA and determine which fit best with existing agencies, or whether a new agency needs to be formed to handle all or portions of the GSA. There are multiple legal mechanisms available to coordinate among agencies or to form a GSA. A Memorandum of Agreement (MOU) can be used to support coordination among multiple GSAs. To assume the new authorities of a GSA, a region can form a Joint Powers Agency (JPA) involving some or all of the existing local agencies in the basin. Or a new special act district can be formed through state legislation. Finally existing agencies such as cities, counties, or water agencies can elect to be the GSA covering all or part of the basin.





**Figure 20 Groundwater basins and subbasins**

**CASGEM Basin Prioritization – June 2014**



**Statewide Groundwater Basin Prioritization Summary**

Basin Ranking	Basin Count per Rank	Percent of Total for State	
		GW Use	Overlying Population
High	43	69%	47%
Medium	84	27%	41%
Low	27	3%	1%
Very Low	361	1%	11%
<b>Totals</b>	<b>515</b>	<b>100%</b>	<b>100%</b>

Basin Prioritization results – June 2, 2014

## **Sustainable Groundwater Management Act Timeline**

### **Sept. 16, 2014: Groundwater management legislation becomes law**

Gov. Brown signs Senate Bill 1168, Assembly Bill 1739, and Senate Bill 1319, which made up the groundwater management legislation package.

### **Jan. 1, 2015: Legislation goes into effect**

The Sustainable Groundwater Management Act becomes effective.

### **Jan. 31, 2015: DWR must establish initial groundwater basin priority**

California Department of Water Resources (DWR) establishes the initial priority – high, medium, low or very low – for each groundwater basin in the state by the end of January 2015 (Water Code § 10722.4).

### **Jan. 1, 2016: DWR must set emergency regulations for basin boundary revisions**

DWR adopts emergency regulations for groundwater basin boundary revisions by Jan. 1, 2016. The regulations must include the methodology and criteria used to evaluate proposed boundary revisions, including the establishment of new subbasins (Water Code § 10722.2).

### **June 1, 2016: DWR must establish emergency regulations for evaluating plans**

DWR adopts emergency regulations for evaluating Groundwater Sustainability Plans (GSPs), their implementation and coordination agreements among local agencies for groundwater sustainability planning. The regulations must identify GSP components and information to assist plan and coordination agreement development and implementation (Water Code § 10733.2).

### **Dec. 31, 2016: DWR estimate of water available for groundwater replenishment due**

DWR publishes its estimate of the water available for groundwater replenishment on its website (Water Code § 10729(c)).

### **Jan. 1, 2017: Basin deadline to submit alternative to a GSP**

Medium- and high-priority basins choosing to meet sustainability objectives by ways other than groundwater sustainability planning (which includes not forming a Groundwater Sustainability Agency (GSA)) must submit their alternatives to DWR (and then again every five years). (Water Code § 10733.6).

### **Jan. 1, 2017: DWR will establish best management practices for sustainable management**

DWR publishes best management practices for the sustainable management of groundwater on its website (Water Code § 10729(d)).

### **June 30, 2017: Deadline to form a GSA**

A local agency or agencies in each high- or medium-priority groundwater basin must have officially formed one or more (GSAs) for the entire basin (Water Code §§ 10724, 10735.2(a)(1)).

**June 30, 2017: State Water Board can begin to put basins on probation**

The State Water Resources Control Board (State Water Board) can initiate probationary status to a medium- or high-priority basin if the basin lacks one or more GSA(s) that covers the entire basin or no alternative has been approved (Water Code § 10735.2(a)(1)).

**July 1, 2017: Those pumping in a probationary basin must report extractions**

Pumping groundwater in a basin that either has been designated as a probationary basin or lies outside a GSA's management area must be reported to the State Water Board. These reporting requirements do not apply to those extracting for domestic purposes 2 acre-feet per year or less, and some others (Water Code §§ 5202, 10724).

**Jan. 31, 2020: GSPs required for critically overdrafted basins**

Basins designated as high- or medium-priority and subject to critical conditions of overdraft must be managed under a GSP or GSPs. The State Water Board can initiate probationary status for all or part of a basin if there is no GSP, if the GSP is inadequate, or the GSP implementation will not likely achieve sustainability (Water Code § 10720.7(a)(1), 10735.2(a)(2), 10735.2(a)(3)).

**Jan. 31, 2022: GSPs required for all remaining high- and medium- priority groundwater basins**

All remaining basins designated as high- or medium-priority must be managed under a GSP or GSPs. The State Water Board can initiate probationary status in 2022 for all or part of a basin if there is no GSP, if the GSP is inadequate, or the GSP implementation will not likely achieve sustainability except for basins where groundwater extractions result in significant depletion of interconnected surface waters (Water Code § 10720.7(a)(2), 10735.2(a)(4), and 10735.2(a)(5)(A)).

**Jan 31, 2025: State Water Board actions where extractions impact surface waters**

The State Water Board can initiate probationary status for those medium- or high-priority basin where the GSP is inadequate or implementation is not likely to achieve sustainability AND the basin is in a condition where groundwater extractions result in significant depletion of interconnected surface waters (Water Code § 10735(a)(5)(B)).

**Jan. 31, 2022 -2024: DWR completes evaluation of all GSPs**

DWR must evaluate and issue an assessment of a GSP within two years of submission by a GSA. DWR may include recommendations for addressing any deficiencies in the GSP (Water Code § 10733.4(d)).

**Jan. 31, 2040 - 2042: Basins must achieve sustainability**

A GSP must include measurable objectives and milestones in increments of five years to achieve sustainability within 20 years of GSP adoption (Water Code § 10727.2(b)(1)).

## Frequently Asked Questions (FAQ)

### What is the Sustainable Groundwater Management Act?

The Sustainable Groundwater Management Act (SGMA) gives local agencies the authorities to manage groundwater in a sustainable manner and allows for limited state intervention when necessary to protect groundwater resources. The SGMA requires the creation of groundwater sustainability agencies to develop and implement local plans allowing 20 years to achieve sustainability. The SGMA provides a state framework to regulate groundwater for the first time in California history.

The SGMA specifically:

1. Establishes a definition of sustainable groundwater management.
2. Establishes a framework for local agencies to develop plans and implement strategies to sustainably manage groundwater resources
3. Prioritizes basins with the greatest problems (ranked as high- and medium-priority)
4. Sets a 20-year timeline for implementation.

Gov. Jerry Brown signed the Act, which is comprised of three bills, on Sept. 16, 2014. The three bills are SB 1168 (Fran Pavley), SB 1319 (Fran Pavley) and AB 1739 (Roger Dickinson).

### Why is groundwater important?

Groundwater aquifers provide about 40 percent of the state's water supply in normal years. During times of drought, aquifers can provide up to 60 percent of the supply.

Currently, in many areas of California, groundwater basins are seriously overdrafted. For example, in some areas of the Central Valley, municipal wells are running dry, forcing small towns to import water at very high prices. Chronic over-pumping has led to land subsidence in the valley, with some places sinking more than 30 feet in recent decades. Many groundwater-fed streams are running dry, endangering the fish and wildlife that depend on them.

### Why did the Legislature and Governor pass the SGMA?

The Legislature and the Governor recognized groundwater as an essential component of the state's water supply portfolio, which must be sustainably managed to help protect against the negative effects of overuse.

Legislators also recognized effective management is most likely to occur at the local and regional level, yet only if certain information is available to the local groundwater management entities and they have sufficient authority and resources to achieve their management goals.

The stated intent of the Legislature in passing these bills was to empower local agencies to sustainably manage groundwater in their areas and provide for state intervention if local authorities do not, or cannot, comply. The Legislature also expressed its intention to respect the overlying and proprietary rights to groundwater under Section 1200 of the Water Code, and

recognize and preserve the authorities of cities and counties to manage groundwater pursuant to their police powers.

**Does the SGMA impose requirements on all groundwater basins in the state?**

No. The Department of Water Resources (DWR) has defined 515 groundwater basins and subbasins in California in Bulletin 118. In 2014 DWR ranked the basins as high-priority, medium-priority, low-priority, or very low-priority using the California Statewide Groundwater Elevation Monitoring (CASGEM) system. The SGMA requires the high- and medium-priority basins (127 total) to meet the mandates of the Act, and encourages participation by the low- and very low-priority basins. The current 43 high-priority and 84 medium-priority basins account for 96 percent of total groundwater pumping in the state.

DWR is using the 2014 rankings for the initial basins rankings under the SGMA. The Act requires an additional factor to be considered in the prioritization – adverse impacts on local habitat and local stream flows. DWR has indicated that the new factors and other new data will be incorporated into future updates of basin priorities.

Adjudicated basins listed in the SGMA are not required to form a Groundwater Sustainability Agency or develop Groundwater Sustainability Plans.

**What are Groundwater Sustainability Agencies (GSAs)?**

Any local agency or combination of local agencies overlying a high- or medium-priority groundwater basin may form a Groundwater Sustainability Agency (GSA) for the basin. Local agencies eligible to form a GSA include a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin. GSAs are required to be formed by June 30, 2017.

**What are Groundwater Sustainable Plans (GSPs)?**

All GSAs must prepare a Groundwater Sustainability Plan (GSP), which can build on the region's existing groundwater plans. The SGMA lays out the contents of a GSP, such as basin conditions, measurable objectives for sustainability, and measures to meet the sustainable yield of the basin. It allows a local agency to propose modifications to its Bulletin 118 basin boundaries. DWR will be developing regulations no later than January 2016 describing the process and conditions for basin boundary changes.

**What is a GSA's function and authority?**

The GSA is the primary agency responsible for achieving the SGMA's sustainability goal within the timeframe allowed. The Act provides GSAs with new authority to manage groundwater. GSAs may choose among numerous new tools and authorities. For example a GSA may conduct investigations, measure and limit extraction, require registration of wells, impose fees for groundwater management, and enforce the terms of a groundwater sustainability plan.

The Act also requires the GSA to consider the interests of a variety of different stakeholders,

including beneficial users of water, environmental interests, disadvantaged communities, tribes and others. The agency must provide outreach to these stakeholders.

### **What does sustainable groundwater management mean?**

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

### **Who will pay for GSAs and provide technical assistance?**

DWR will provide technical assistance to local agencies in the implementation of the Act and development of best management practices.

Some \$100 million in grant funding is included in the Water Bond (Proposition 1) to be used for the development and implementation of groundwater management plans and projects. GSAs are also provided with fee authority to support implementation of the SGMA.

### **How will the state oversee GSPs?**

The SGMA is designed to offer a reasonable level of state oversight and involvement by state agencies.

DWR will review GSPs and their implementation within two years of submission. DWR will also evaluate each GSP at least every five years.

The State Water Resources Control Board (State Water Board) can only intervene in a local area and designate the basin or portion of the basin as probationary in limited circumstances:

- When no local agency is willing to serve as a GSA (by 2017)
- When a GSA does not complete a GSP (by 2020)
- When both the GSP is inadequate or not implemented to achieve sustainability and there is a condition of long-term overdraft or significant depletion of interconnected surface waters.
- The State Water Board can assess fees to recover costs incurred in administering an unmanaged area or a probationary basin, which may include reporting requirements, investigations, facilitation, monitoring, hearings, enforcement and administrative costs.

If a basin or portion of a basin is designated probationary, it has time to address any deficiencies before the state requires groundwater extraction reporting and initiates development of an interim plan. The Act states that it is the intention that state intervention continue only until a local groundwater agency is able to take over and manage the basin sustainably.

### **How will land use agencies and GSAs interact?**

The SGMA amends planning and zoning laws to require increased coordination among land use planning agencies and GSAs regarding groundwater plans and any updates or modifications of General Plans. Existing local government land use and groundwater authorities are not modified in the Act.

### **What are key dates of the SGMA?**

- January 1, 2015 – Legislation is effective
- January 1, 2016 – State regulations finalized for basin boundary adjustments
- June 1, 2016 – State regulations finalized for evaluating GSPs
- June 30, 2017 – Local groundwater sustainability agencies (GSAs) must be formed
- January 31, 2020 – Groundwater sustainability plans (GSPs) must be completed for basins in a critical condition of overdraft
- January 31, 2022 – GSPs must be completed in all other high- and medium-priority basins
- Twenty years after adoption of the GSP (2040 and 2042) – all high- and medium-priority groundwater basins must achieve sustainability

### **Does the SGMA change existing water rights?**

The SGMA does not change existing groundwater rights. Groundwater rights will continue to be subject to regulation under article 10, section 2 of the California Constitution. The Act includes numerous provisions to protect water rights. Water Code section 10720.5(b) says that nothing in the legislation “determines or alters surface water rights or groundwater rights under common law or any provisions of law that determines or grants surface water rights.”

### **How does the SGMA relate to existing and future adjudicated basins?**

For existing adjudicated basins, which are listed in the act, the basins only have to meet annual reporting requirements which in most cases is information already prepared annually and provided to the water master or court. If only a portion of a high or medium priority basin is adjudicated, the remainder of the basin is subject to the requirements of the act.

If a new adjudication process is initiated in any of the high and medium priority basins, the basin is subject to the requirements and deadlines of the act while the litigation and adjudication process proceeds.



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**Attachment Two**  
The Sierra Nevada Watershed Improvement Program

# The Sierra Nevada Watershed Improvement Program

*The Sierra Nevada Region provides more than 60% of California's developed water supply, but a four-year drought, a century of fire suppression, widespread tree mortality due to insect attacks and disease, and a changing climate have led to an increased risk of large, damaging wildfires.*

**The Sierra Nevada Watershed Improvement Program will:**

- Restore Sierra forests and watersheds to a healthier state
- Improve the quantity and quality of water throughout the year
- Reduce greenhouse gas emissions and stabilize carbon storage
- Improve local socio-economic conditions and public safety
- Improve habitat for wildlife, fish, and plant species
- Reduce the risk of large, damaging wildfires
- Preserve working landscapes
- Protect air quality

Wildfires in the Sierra Nevada are getting bigger and more intense. Extreme drought and record-low snowpack are leaving forests and meadows stressed, compromising the Region's ability to filter and store water for use later in the year. Greenhouse gasses are being released at a higher rate than previously expected due to drought and insect-related tree mortality, and high-intensity fire events. California needs a well-coordinated, comprehensive program that increases the pace and scale of restoration in the Sierra Nevada to address the conditions that currently exist.

**The Sierra Nevada Watershed Improvement Program (WIP)** is a coordinated, integrated, collaborative program to restore the health of California's primary watershed through increased investment and needed policy changes. This effort is being organized and coordinated by the state's Sierra Nevada Conservancy (SNC) and the federal United States Forest Service (USFS), in close partnership with other federal, state and local agencies, and diverse stakeholders.



*Photos courtesy of the U.S. Forest Service*

*The Sierra Nevada Watershed Improvement Program will be implemented by federal, state, and local partners working together to analyze restoration needs at the watershed level, with the goal of matching funding and addressing policy barriers in order to complete projects that restore the Region to a healthier state.*

*There is growing consensus that more must be done to increase the pace and scale of forest restoration in the Sierra Nevada, but a number of policy-related barriers need to be addressed in order to restore our forests and watersheds to a healthier state.*

- Controlled burns, under appropriate conditions, help to thin overgrown forests and reduce the risk of large, damaging fires. However, air quality regulations often restrict the available days that forest managers can conduct such burns.
- Policies related to federal funding for fire suppression often result in funds that would otherwise be available for restoration being “swept” to pay for suppression.
- Completion of environmental assessment processes under federal and state regulations can take a year or more, and can be costly. Developing projects on a larger landscape scale may provide greater efficiency in complying with regulations.
- The lack of wood and biomass processing infrastructure in the Sierra Nevada is a significant impediment to forest restoration efforts. Recent state policy efforts such as the Bioenergy Action Plan and SB 1122 (2012) provide direction on increasing the use of forest biomass for energy production. However, a number of challenges still remain.

*Opportunities to establish more reliable funding sources for restoration in the Sierra exist, but coordination among federal, state, and local agencies, and private partners is necessary.*

- California voters approved the \$7.5 billion water bond last year, with a significant amount of funding available for projects that restore California’s primary watershed. State agencies are coordinating efforts to maximize the impacts of Proposition 1, including efforts in the Sierra Nevada.
- Sierra Nevada forests are huge carbon reservoirs for the state, but high intensity wildfires are turning those storage pools into emissions sources. Identifying opportunities to increase investment in the Sierra Nevada Region through the Greenhouse Gas Reduction Fund will be critical as California works to meet greenhouse gas emission reduction goals.

The Sierra Nevada Conservancy is a state agency that carries out a mission of protecting the environment and economy in a complementary fashion across 25 million acres, one-quarter of the state. To learn more, please visit the Sierra Nevada Conservancy Web site.



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**Attachment Three**  
AENR Legislative & Budget Priorities Update



## Agriculture, Environment & Natural Resources Legislative & Budget Priorities Update

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**Groundwater Legislation Clean-up & Implementation.** As expected the on-going drought continues to be at the forefront of legislative and regulatory activity this year. Parallel to these processes and certainly related to the drought is the activity surrounding implementation of the Sustainable Groundwater Management Act (SGMA). Given this new and more comprehensive approach to managing the state's groundwater, it was a priority of CSAC's to provide counties with more than one educational forum on SGMA. Early in the year, CSAC in partnership the Association of California Water Agencies, the Rural County Representatives of California (RCRC) and the California Water Foundation, co-hosted three regional workshops which explored approaches to forming Groundwater Sustainability Agencies. These workshops were well attended by key decision makers and staff from cities, counties and local water agencies from medium to high priority groundwater basins. Numerous other educational forums on the new law were also conducted by other organizations including CSAC's Institute for Excellence in County Government.

Regarding the regulatory process, SGMA requires the Department of Water Resources (DWR) to adopt two separate sets of regulations on criteria for modifying groundwater basins boundaries by January 1, 2016 and for evaluating groundwater sustainability plans, coordination agreements and alternatives by June 1, 2016. At the request of DWR, CSAC and RCRC have organized a joint working group of county officials and staff that is tasked with providing feedback to DWR regarding SGMA implementation issues and more specifically the preliminary drafts of the regulations. These discussions are currently underway and will continue throughout the regulatory processes.

In addition, the Legislature has introduced 15 bills that would modify SGMA and its related statutes. Of particular interest to CSAC is AB 1390, by Assembly Luis Alejo and sponsored by the California Farm Bureau. This bill attempts to streamline the groundwater rights adjudication process. Of particular concern to counties is a provision in the bill that would make cities and counties "that provide water service and overlie the basin" automatic parties to the action regardless to whether the city or county has an interest in the adjudication action or not. CSAC and RCRC are currently negotiating with the Farm Bureau to have these and other concerns with the bill addressed.

**Stormwater Funding.** Throughout the year, CSAC has worked with a coalition of statewide organizations working to pass a Constitutional Amendment through the Legislature that would put a ballot measure before the California voters. Initially the focus was on a proposed ballot measure amending Proposition 218 that would provide the opportunity for voters to decide if stormwater infrastructure and services should be funded similar to the way wastewater districts and water districts fund their infrastructure and services. Currently, water and wastewater districts can raise revenue through a noticed public hearing; however, stormwater agencies must conduct a vote of the property owners or voters in their service area to raise revenue.

Given the on-going drought and a recent court decision affecting tiered water rates, the coalition is changing its approach. The court decision in *Capistrano Taxpayers Association v. City*

*of San Juan Capistrano (2013)* brought into sharp focus the challenges of implementing state policy to reduce water use with the current constitutional requirements of Proposition 218. As a result, the coalition is now looking at expanding their legislative efforts to include not only stormwater but also conservation rates and lifeline rates. CSAC staff will keep the committee informed of any outcomes of these discussions.

**Medical Marijuana Regulation.** CSAC continues to work with the authors and sponsors of the four bills that would establish frameworks for regulating medical marijuana dispensing facilities and/or cultivation operations. These include AB 34 (Bonta), AB 243 (Wood), AB 266 (Cooley) and SB 643 (McGuire). As negotiations on the bills continue, CSAC is advocating for provisions that preserve local control; provides explicit authority to counties to impose local taxes; eliminates the collective model in favor of a strong licensing scheme; provides responsible agencies with clear guidance and adequate resources to regulate and enforce existing environmental laws on marijuana cultivation activities; and requires state environmental agencies to coordinate with local governments to ensure uniform application in enforcement efforts. CSAC's Medical Marijuana Working Group will be discussing these bills at their upcoming meeting during the CSAC Legislative Conference. On a related note, the working group will also be discussing the marijuana policy principles recently developed by six northern California counties.

**Payment in Lieu of Taxes (PILT) & Fairs.** Rural and small counties have been impacted by specific programs cuts over the last decade that, when taken together, present a cumulative disproportionate impact on these jurisdictions. CSAC has focused our advocacy this year on restoring funding to several programs including Payment in Lieu of Taxes (PILT) funds and supporting funding for the network. With regard to PILT, CSAC is advocating for a restoration of PILT funding in the current budget as well as back payment of PILT funds.

The Governor's January budget, proposes to allocate \$644,000 which is the local government portion of annual PILT funds. In addition, the Department of Finance has proposed Trailer Bill Language (TBL) that would make changes to statute making the program permissive rather than required. CSAC opposes this change as it would clearly change the intent of the law by authorizing, instead of requiring the payment of PILT funds. Both the Senate and the Assembly budget subcommittees with jurisdiction over this issue, have approved the Governor's proposed allocation for FY 15-16 PILT as well as included \$8 million in back payments. In addition, they have rejected the portions of the Administration's TBL that make the program permissive rather than required.

**Cap and Trade.** With the May Revision of his budget, the Governor is proposing a total of \$2.2 billion in cap and trade spending this year. This includes an increase to the Affordable Housing and Sustainable Communities (AHSC) Program, which provides funding to local and regional jurisdictions for SB 375 and like projects. Last year's budget created a framework for how the Legislature will allocate future Cap and Trade auction revenues with 60% of all funds dedicated to continuous appropriations for a variety of different program areas, mostly in the transportation sector. However, 40% of Cap and Trade funds have been secured for natural resource investments, upon annual appropriation of the Legislature. CSAC has continued to advocate for local government eligibility for these funds, with a focus on programs in the waste management, energy and water resources sectors. In addition, we are looking at ways to create geographical equity within the expenditure plan, allowing smaller and more rural areas to

compete for funding. Our advocacy efforts this year have been geared at influencing the drafting the 2016 investment plan that the California Air Resources Board is currently in the process of developing. A draft plan is expected to be released by the end of the month.