



Golden State
Water Company
A Subsidiary of American States Water Company

CWA Spring Conference

An Investor-Owned Water Company Perspective on the Sustainable Groundwater Management Act

Toby B. Moore, PhD, PG, CHG
Water Resources Manager & Chief Hydrogeologist
May 14, 2015

Sustainable Groundwater Management Act of 2014



Golden State
Water Company
A Subsidiary of American States Water Company

- Act composed of three bills: SB 1168, AB 1319, AB 1739
- Became law on January 1, 2015
- Fundamental change in groundwater regulation
- Affects all groundwater basins in California
 - Initial emphasis on non-adjudicated “high” and “medium” priority basins
- Provides local/regional agencies with authority to sustainably manage groundwater basins within their jurisdiction
 - Groundwater sustainability agencies
 - Groundwater sustainability plans
- Requires plans in certain basins
- Adjudicated Basins excluded (except for certain reporting)
- Allows State Water Board review and Intervention (“Backstop”)
- Sets goals and deadlines

SGMA Challenges



Golden State
Water Company
A Subsidiary of American States Water Company

- Governance
- Timeline
- Overlapping Structures
- Basin Boundaries
- Technical Data Needs
- Cost
- Water Rights

GSA – Groundwater Sustainability Agency



Golden State
Water Company
A Subsidiary of American States Water Company

- Who will be the Groundwater Sustainability Agency?
- Will Investor-Owned Utilities be allowed to participate in GSA governance and management?
 - Which local agency(s)?
 - JPA or MOU or other?
 - Tech Advisory roles
 - Watermaster
- A local public water utility is not considered to be a “local agency” and may participate in a GSA, if the local agencies approve ... an obvious inequity that handicaps water IOUs!
- Clean-up Legislation is in process to rectify this deficiency.

Tools for GSAs – Groundwater Sustainability Agency



Golden State
Water Company
A Subsidiary of American States Water Company

The Act gives the GSAs tools to manage groundwater basins, such as:

- Well registration
- Well extraction reporting
- Ability to limit extractions (who can pump?)
- Ability to impose fees for management and replenishment
- Adopt rules, ordinances, and enforcement actions

GSA Benefits



Golden State
Water Company
A Subsidiary of American States Water Company

- Long-term water supply predictability and reliability
- Respect for water rights (maybe)
- Stakeholder involvement and potentially coordinated agreement among agencies, including IOUs, to develop Sustainability Plans.

SGMA Costs and Technical Issues



Golden State
Water Company
A Subsidiary of American States Water Company

- Increased Expense and Regulation
 - Governance formation
 - Studies and modeling
 - Groundwater monitoring
 - Supplemental supplies
 - Administrative costs
- Adjudication may still be necessary to determine water rights and to provide certainty.

Local Public and Local Investor-Owned



Golden State
Water Company
A Subsidiary of American States Water Company

- **Water Utilities in California:**
 - Entities that own and operate public water systems
 - Cities
 - Counties
 - Special Districts
 - Regulated Public Utilities (Investor-Owned)
 - Mutual water companies
- **Investor-Owned Water Utilities and Government-Owned Utilities:**
 - Same operational and management challenges (e.g., aging infrastructure, strained supply sources, water quality standards and compliance)
 - Assets dedicated to public use, including water rights



INVESTOR-OWNED WATER COMPANIES IN CALIFORNIA

Nearly six million people in California are served by investor-owned water companies.



WORKING TOGETHER.
ACHIEVING RESULTS.

WWW.CALWATERASSN.COM

601 VAN NESS AVE., SUITE 2007 | SAN FRANCISCO, CA 94102



Golden State
Water Company

A Subsidiary of American States Water Company

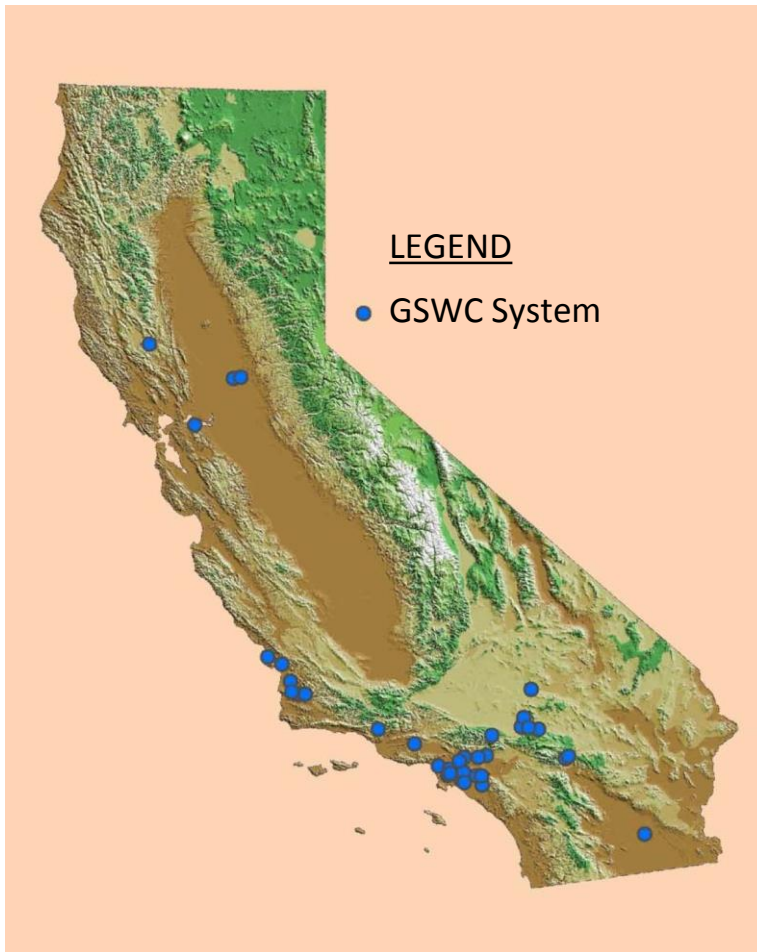
- 113 Regulated IOUs
 - 9 Class A water utilities (> 10,000 connections)
 - 5 Class B water utilities (>2,000)
 - 24 Class C water utilities (> 500)
 - 75 Class D water utilities (< 500)
- 1.5 million customers
- 6 million Californians served

Golden State Water Company

The Statewide Picture



Golden State
Water Company
A Subsidiary of American States Water Company



- **One of the largest investor-owned retail water providers in California**
 - Population served: over 1.1 million
 - 38 Water Systems
 - 95% utilize groundwater
 - Approximately 250 production wells
 - Total Water Supply Portfolio of over 168,000 AFY
- **Groundwater basins and water rights**
 - 121,000 AF of GW rights in 17 basins
 - 7 Adjudicated Basins (75,090 AF)
 - Central & West Basins, Main San Gabriel, Mojave, Six Basins, Chino and Santa Maria
 - Los Osos (ISJ process underway)

Groundwater Management



Golden State
Water Company
A Subsidiary of American States Water Company

- Long History of GW management by IOU's in California
 - Adjudications
 - Water Master Boards
 - Water Associations
 - Land for replenishment

Groundwater Management



Golden State
Water Company
A Subsidiary of American States Water Company

- Participation in GW management by IOUs
 - **Central Basin:**
 - Water Rights Panel (GSWC)
 - CBWA (GSWC, CAW, Cal Domestic (mutual), Cal Water, Park, San Gabriel, Suburban)
 - Alamitos Barrier Joint Management Committee (GSWC)
 - WRD Technical Advisory Committee (GSWC)
 - **West Basin**
 - WBWA (GSWC, Cal Water)
 - WB Water Rights Panel (Cal Water)
 - **Six Basins**
 - Watermaster Board (GSWC)
 - Pomona Valley Protective Association (GSWC)

Groundwater Management



Golden State
Water Company
A Subsidiary of American States Water Company

- Participation in GW management by IOUs
 - **Main San Gabriel Basin**
 - Watermaster Board (Cal Domestic, San Gabriel, Suburban, GSWC)
 - Water Quality Authority (San Gabriel, Cal Domestic)
 - SGVWA (CAW, GSWC, San Gabriel, Suburban, Azusa Valley Water)
 - **Ojai Basin**
 - Ojai Basin Groundwater Management Agency (GSWC)
 - **Santa Maria Basin**
 - Santa Maria Valley Management Area (GSWC)
 - Nipomo Mesa Management Area (GSWC)

Groundwater Management



Golden State
Water Company
A Subsidiary of American States Water Company

- Participation in GW management by IOUs
 - **Sacramento Basin**
 - Sacramento Groundwater Authority
 - » GSWC = Appointed by City of Sacramento
 - » CAW = Appointed by City of Sacramento
 - Sacramento Central Groundwater Authority
 - » GSWC = Appointed by City of Rancho Cordova
 - » CAW = Appointed by County of Sacramento
 - Regional Water Authority
 - » GSWC, CAW, – Board of Directors

Stakeholders



Golden State
Water Company
A Subsidiary of American States Water Company

- What should public utilities do to ensure their customers' interests are fully represented in GSAs and Sustainability Plans:
 - Participate in GSA and Plan development, if available
 - Monitor all actions of agencies likely to seek designation of a GSA
 - File comments with SWRCB and DWR on GSA proposals
 - Participate in DWR Outreach forums (advisory panels?)
 - GRA webcasts



Golden State
Water Company

A Subsidiary of American States Water Company

Questions?

TobyMoore@gswater.com