Groundwater: The New Frontier
Planning, Investment in New Technologies Must Start Now

Changing demands on water supplies, such as new environmental restrictions, the effects of cyclical droughts, and increased urban and agricultural usage, have resulted in more groundwater pumping and subsequently chronic overdrafting of groundwater basins. This has created a noticeable increase in soil subsidence (permanent loss of belowground storage capacity).

Water is stored in the cracks of soil, sand and rocks underground called aquifers. Prolonged pumping depletes water in soil, causing the soil to sink, collapsing underground water aquifers. Once that happens, it is not possible to recharge the aquifer. Unlike most Western states, California never has had a state comprehensive system for regulating groundwater until now.

KEY POINTS
- California adopted legislation for stabilizing overdrafted groundwater water basins in 2014.
  - The new law allows for groundwater pumping restrictions and the imposition of fees, but does not mandate either one.
  - Local public agencies with water supply, management, and land use obligations will develop a Groundwater Sustainability Plan (GSP) with stakeholder input for approval by the state.
  - GSPs must be submitted for critically overdrafted basins by January 2020 and lower priority basins in 2022.
  - There will be less groundwater available in the future.
  - Business and agricultural representatives should be engaged in the planning process expressing the impacts a reduced water supply will have on business vitality.
  - New technologies should be explored to use water more efficiently.
  - The California Chamber of Commerce continues to reach out and inform businesses of the importance to engage in the process.

BACKGROUND
Unlike other states, California did not have a system for regulating groundwater pumping until 2014 when the Sustainable Groundwater Management Act (SGMA) was signed into law. Before 2014, management generally had been in the form of plans developed by local agencies that focused primarily on information gathering. Overlying landowners, including agricultural users, domestic well owners and other groundwater users, pumped without having to obtain government approvals.

SGMA lays out how the state will achieve sustainable groundwater basins. “Sustainable” generally means eliminating overdraft in the basins. Water seeps back into basins through winter floods, water from recharge basins and rain. Some funding has been provided by the state General Fund, but the majority of funding is from a large water bond passed a few years ago. Looking at the
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amount of work needed to design a GSP to achieve basin sustainability and begin implementation, however, fees are going to be necessary.

Designing a GSP entails a tremendous amount of work, including research, surveying, monitoring, reporting, public meetings, development of best practices, finding and purchasing replacement water, evaluating new technologies, and working out groundwater rights. Each basin is unique. Plans need to be tailored to conditions in each overdrafted basin. A further complication is that there can be many local agencies overlying the basins that must agree on a GSP. Schisms in planning agencies are showing up as the deadline approaches.

SGMA does not mandate groundwater pumping restrictions or require the imposition of groundwater fees, but allows both. It’s hard to imagine the basins or sub-basins achieving sustainability without imposing some sort of pumping restrictions or limitations. Those subject to paying the fees would be farmers, private well owners, cities, counties, public water systems, local land use planning agencies, environmental groups, the federal government, or tribes, just to name a few.

In 2015, AB 1390 (Alejo; D-Salinas) and SB 226 (Pavley; D-Agoura Hills) went into effect, streamlining the adjudication process to reduce the burden of groundwater adjudications on both the courts and claimants without altering the law of groundwater rights and without disrupting the SGMA process.

Basin adjudications occur when a party initiates a lawsuit against all other users in a groundwater basin so that the court can determine the groundwater rights of all parties overlying the basin and whether others may export water from the basin. Prior to the legislation, adjudications often took decades to resolve, which prompted the legislation because the basins must reach sustainability 20 years after the GSP is adopted. If the planning process becomes too burdensome or the local planning agencies cannot agree, it is likely that there will be a movement to adjudicate the basin.

**IMPACT ON BUSINESS**

Although SGMA does not establish, determine or confirm water rights, it does regulate the exercise of those rights. Reaching and maintaining groundwater sustainability will take many years and require less groundwater pumping, especially in drought or dry years. Business and agriculture will be adversely affected by reductions in water supplies. Planning for new supplies or investments in new technologies should begin now. (See Business Issues articles on “New Water Future,” “Access to Water,” “Long-Term Water Strategy.”)

The Public Policy Institute of California (PPIC) predicts that at least 535,000 acres of Central Valley farmland could be permanently retired over the next 20 years as farmers curtail their water consumption. The PPIC estimated that 50,000 acres will go solar, converting some of the world’s most productive tomato farms, pistachio orchards and dairies into vast fields of tea-colored photovoltaic panels. Other landowners are working with environmental groups to develop conservation easements to turn some of their land into wildlife habitats.

**ANTICIPATED ACTIONS IN 2020**

Groundwater Sustainability Plans must be finalized and ready for submission to the Department of Water Resources in 2020 and 2022, depending on the severity of overdraft. Business and agricultural representatives need to be engaged with their local planning agencies to keep abreast of the plans, offer information on impacts to their companies, and share future strategies to help offset reductions.

**CALCHAMBER POSITION**

The CalChamber supports legislation to improve the Groundwater Sustainability Management Act to alleviate the impacts on farmers, businesses and landowners. The CalChamber also supports research and development of new technologies and water management practices that promote water use efficiency, recycling and reuse.

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