

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose

BILL NUMBER: SB 178
AUTHOR: D. Steinberg

BILL SUMMARY: Groundwater

This bill would establish a statewide groundwater elevation monitoring program coordinated by the Department of Water Resources (DWR). It would require DWR to receive and evaluate notifications from local entities proposing to conduct the required monitoring, evaluate overlaps and gaps in coverage in each groundwater basin and subbasin, and perform the required monitoring if there is no local entity able or willing to perform the monitoring. The bill would also require DWR to prepare a groundwater report by January 1, 2010 and every five years thereafter.

The bill would also require well owners to bear the costs of monitoring.

FISCAL SUMMARY

DWR estimates its costs for developing and maintaining data management systems would be \$2 million in each of the first two years, and \$1 million for annual operating costs. DWR further estimates it would need \$5 million per year for three years to prepare the 2010 Groundwater Supply report and \$3 million per year thereafter to produce subsequent reports. These costs would be funded from the General Fund. The bill specifically provides that DWR may not assess a fee to cover these costs.

In addition, there are unknown, but potentially significant, costs associated with the additional groundwater elevation monitoring requirements. These costs would be incurred by the local entity performing the monitoring, or DWR, if no local entity is willing or able to perform the monitoring. The bill contains a provision that would allow the costs of the monitoring to be passed on to the well owners.

COMMENTS

Finance opposes this bill because it would create new General Fund costs not included in the Administration's revised budget plan. Additionally, according to DWR, the bill would not require all of the information needed to adequately assess groundwater supply.

There is no existing state law which provides direct groundwater regulation. Groundwater may be appropriated and diverted outside of groundwater basins by cities, water districts, and other users whose lands do not overlie a groundwater basin. In 1914, California created a water rights permit process governing the appropriation of surface water and subterranean streams. Water users who take water for beneficial use from surface watercourses and "subterranean streams flowing through known and definite channels" must obtain water rights permits or licenses from the State Water Resources Control Board (Board). The Board has developed a test to identify groundwater subject to permit and has issued decisions that specify subject streams. Groundwater that does not meet the Board's test is "percolating groundwater" and is not subject to permits. The method to appropriate percolating groundwater is to simply pump the water and put it to reasonable beneficial use.

(Continued)

Analyst/Principal Date Program Budget Manager Date
(0631) M. Almy Karen Finn

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	
3860/Water Res	SO	No		--	C	\$7,000	C	\$7,000	0001