



# CITY OF STOCKTON

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## OFFICE OF THE CITY MANAGER

City Hall • 425 N. El Dorado Street • Stockton, CA 95202-1997 • 209 / 937-8212 • Fax 209 / 937-7149  
www.stocktongov.com

December 15, 2015

Mr. Mark Nordberg  
Senior Engineering Geologist  
California Department of Water Resources  
901 P Street, Room 213A  
P.O. Box 942836  
Sacramento, CA 9423

Re: **NOTICE OF INTENT BY THE CITY OF STOCKTON TO BECOME A  
GROUNDWATER SUSTAINABILITY AGENCY IN COMBINATION WITH  
CALIFORNIA WATER SERVICE COMPANY**

Dear Mr. Nordberg:

In accordance with sections 10723.6 and 10723.8 of the Water Code, the City of Stockton ("City"), in combination with California Water Service Company ("Cal Water"), hereby notifies the California Department of Water Resources ("DWR") of its decision to become a Groundwater Sustainability Agency ("GSA"), and its future intent to undertake sustainable groundwater management of the Eastern San Joaquin County Groundwater Subbasin (DWR Basin No. 5.22-01) within the boundaries of the Urban Service Area. A map showing the Urban Service Area is enclosed herein as "Exhibit A".

The City and Cal Water have not entered into a joint powers agreement or memorandum of agreement at this time. However, the City and Cal Water intend to work together and collaborate with other agencies to pursue such an agreement. Should one be executed in the future, the City will notify the DWR accordingly. The City and Cal Water intend to work cooperatively with other agencies overlying the basin. The other agencies that may proceed with becoming a GSA within the Eastern San Joaquin County Groundwater Subbasin boundaries may include in part:

Stockton East Water District  
San Joaquin County  
North San Joaquin Water Conservation District  
Central San Joaquin Water Conservation District

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Woodbridge Irrigation District  
South San Joaquin Irrigation District  
Calaveras County Water District  
Stanislaus County  
Calaveras County

No other GSA is currently operating within the Eastern San Joaquin County Groundwater Subbasin; however, Stockton East Water District submitted a GSA Notice of Intent and this information was posted on the DWR website on October 22, 2015.

In compliance with section 10723(b) of the Water Code, the City published notice as required by section 6066 of the Government Code, and on December 8, 2015, held a public hearing. At this hearing the City Council adopted Resolution 2015-12-08-1602, enclosed herein as Exhibit "B", approving the decision and intent to become a GSA in combination with Cal Water.

The City did not adopt any new bylaws, ordinances, or new authorities with the passage of the Resolution.

Pursuant to section 10723.2 of the Water Code, the City has created and will maintain a list of the interests of beneficial users, users of groundwater and those responsible for implementing a GSA. This list is enclosed herein as Exhibit "C" and will be revised as necessary during the Groundwater Sustainability Plan ("GSP") development process. These parties will also be considered in future discussions by the Director for the Municipal Utilities Department to ensure that all of the beneficial users are considered in the GSP process.

If you require additional information, please contact the undersigned.

Respectfully,



KURT O. WILSON  
CITY MANAGER

Enclosures:

- Exhibit A – Map of Eastern San Joaquin County Groundwater Subbasin
- Exhibit B – Stockton City Council Resolution No. 2015-12-08-1602
- Exhibit C – List of Interested Parties

APPROVED AS TO FORM AND CONTENT

By 

Tara M. Mazzanti  
Deputy City Attorney

..title

**RESOLUTION APPROVING THE INTENT OF CITY OF STOCKTON IN COMBINATION WITH THE CALIFORNIA WATER SERVICE COMPANY TO FORM A NEW GROUNDWATER SUSTAINABILITY AGENCY IN THE EASTERN SAN JOAQUIN COUNTY GROUNDWATER BASIN ESTABLISHED UNDER THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

..recommended action

RECOMMENDATION

It is recommended that the City Council approve a resolution authorizing the City Manager to:

1. File a Notice of the Decision and Intent to Become a Groundwater Sustainability Agency (GSA) with the California Department of Water Resources (DWR). This notice will establish the intent of the City of Stockton (City) in combination with California Water Service Company (Cal Water) to become the new GSA within their Urban Service Area boundaries in the Eastern San Joaquin Sub-basin (Basin) within 30 calendar days of the date of this Resolution.
2. Provide additional exhibits to DWR including a boundary map showing the Urban Service Areas in the Basin and a list of interests of beneficial users, users of groundwater and those responsible for implementing a GSA within 30 calendar days of the date of this Resolution.
3. Authorize the Municipal Utilities Department (MUD) to work in collaboration with other local agencies in developing a Groundwater Sustainability Plan (GSP) and other agreements for the Basin.

It is further recommended that the City Manager be authorized to take appropriate actions to carry out the purpose and intent of this resolution including filing and executing all required notices and documents.

..body

Summary

The City of Stockton's water supply comes from local rivers, the Delta and from the groundwater aquifer. MUD operates and maintains several groundwater supply wells throughout the City that provides water to the distribution system. In addition, Cal Water also operates and maintains a number of groundwater wells. This groundwater is an important water supply for the City, particularly in times of drought. To ensure the appropriate management of this resource, the City and Cal Water have a common interest in becoming a GSA for the area within their Urban Service Area Boundaries to help manage and protect the City's groundwater supply.

If approved, this action will authorize the City Manager to execute a Notice of the Decision and Intent to Become a GSA in combination with Cal Water (Notice). This Notice and exhibits required by statute will be filed with DWR to declare the decision and intent by the City and Cal Water to become a GSA. The MUD staff will work in collaboration with other local agencies to develop a future plan and governance agreements as needed. This will assist in the management of the Basin in a sustainable way as directed under the new Sustainable Groundwater Management Act (SGMA) that was signed into law last year.

## DISCUSSION

### Background

According to the Public Policy Institute of California, approximately 80% of Californians rely in part, on groundwater supplies for drinking water and irrigation. The State's groundwater storage capacity is many times larger than the water stored in surface reservoirs located statewide.

SGMA was signed into law on September 16, 2014. This substantial new law requires more local or regional management of groundwater resources directed under the new responsibility of a GSA.

In addition, SGMA defines sustainable groundwater management and requires that medium and high-priority basins form a GSA by June 30, 2017. SGMA also requires that a GSP be adopted within 5 to 7 years. The GSP will provide detailed physical descriptions, monitoring and management provisions, and describe interaction with other plans such as the City's General Plan. The GSP must indicate a path to groundwater sustainability within 20 years of adoption. A sustainable groundwater basin, as described in SGMA, includes no "surface water depletions that have significant and unreasonable adverse impacts on beneficial users."

Of the 515 basins in California as described in DWR Bulletin 118, 127 of the 515 basins in the State are medium- or high-priority basins. The Eastern San Joaquin Sub-Basin which the City receives its groundwater from, is listed as a "high-priority" basin due to significant overdraft.

Senate Bill 13 was signed by the Governor in September of 2015. It clarified through amendment, many of the Water Code Sections of SGMA. As a result, DWR developed guidelines for local agencies to follow after deciding to become a GSA. This includes a requirement that DWR post only "complete" notices on its website for each notice received from an agency. SB 13 also provides for direct guidance on overlapping areas and exceeding service area boundaries. Under SGMA, a local agency who files a notice to the DWR will become the official GSA for a particular basin within 90 days after the posting of the notice on the DWR website. However, if a competing notification from another agency is filed within 90 days, neither GSA notice that has been filed is

effective until one is withdrawn or modified to eliminate any overlap in geographical boundaries between the proposed GSA's.

### Present Situation

On October 22, 2015, Stockton East Water District's (SEWD) Notice of Intent to Become a GSA was posted on the DWR website. If no other competing notice is filed with DWR on or before January 20, 2016, SEWD will be presumed to be the exclusive GSA within the District's boundaries. However, a portion of this area falls within the urban service area boundaries of the City, Cal Water and other agencies.

It is important for the City and Cal Water to maintain their ability to participate in the future direction of managing the City's groundwater resources and also preserve their groundwater rights. In order to do this, staff recommends that the City in combination with Cal Water, file with DWR a notice of intent to form or become a GSA. This will provide the City and Cal Water the opportunity to preserve their rights, while also giving them the ability to collaborate with other agencies that overlay the Basin in the development and formation of Basin plans and agreements through the Eastern San Joaquin Groundwater Basin Authority (Authority).

The City and Cal Water have been members of the Authority for several years. This membership has allowed the City and Cal Water to work cooperatively over the years with other agencies on objectives to better manage the resources of the Basin. The Authority has recently launched a SGMA Work Group assigned to complete GSA and GSP development.

In addition, Water Code section 10723.6(a) authorizes a combination of local agencies to form a GSA either through a joint powers agreement, memorandum of agreement or other legal agreement. Currently, section 10723.6(b) provides in part for a water corporation that is regulated by the Public Utilities Commission to participate in a GSA, as long as local agencies approve of it. On January 1, 2016, SB 13 amendments to this statute will allow this participation through a memorandum of agreement or other legal agreement. Presently, the City and Cal Water do not have such an agreement. Cal Water's delegation of authority authorizes its officers of the corporation to enter into various legal agreements. Under SGMA, it is anticipated that the City, in combination with Cal Water, will continue in this effort to find sustainable solutions to help manage the Basin. Water Code section 10723.8 provides for the future flexibility for a GSA to later withdraw from managing a basin by providing written notice to DWR of its intent to withdraw.

Pursuant to Water Code section 10723.8, the first step in forming a GSA requires a resolution authorizing the decision and intent to become a GSA and submitting the resolution to DWR within 30 days. This requires a public hearing pursuant to Government Code section 6066. After a hearing, staff will recommend to the City Council approval of a resolution regarding the decision and intent to become and form a GSA in combination with Cal Water, and authorize the City Manager to file the Notice

and the required exhibits with DWR. If DWR determine that the documents submitted are complete, the notice will be posted on the official DWR web page. Should an incomplete determination be made by DWR, the City and Cal Water will coordinate to take the necessary steps to obtain completion.

The Public Hearing was noticed in the RECORD for two successive weeks on November 24 and December 1, 2015 (Attachment A). Subsequent to the hearing and after approval of the resolution, the City will file with DWR the attached draft Notice and required supporting exhibits (Attachment B). The required documentation includes a current map of the Urban Service Area Boundary within the Basin including Cal Water's service area and a copy of the resolution.

Water Code section 10723.2 also requires all agencies who decide to form a GSA to consider the interests of all beneficial users and users of groundwater including those who would be responsible for implementing a GSP. Staff has prepared a list of Consideration of Interests of Beneficial Users for submission to DWR upon approval of the resolution.

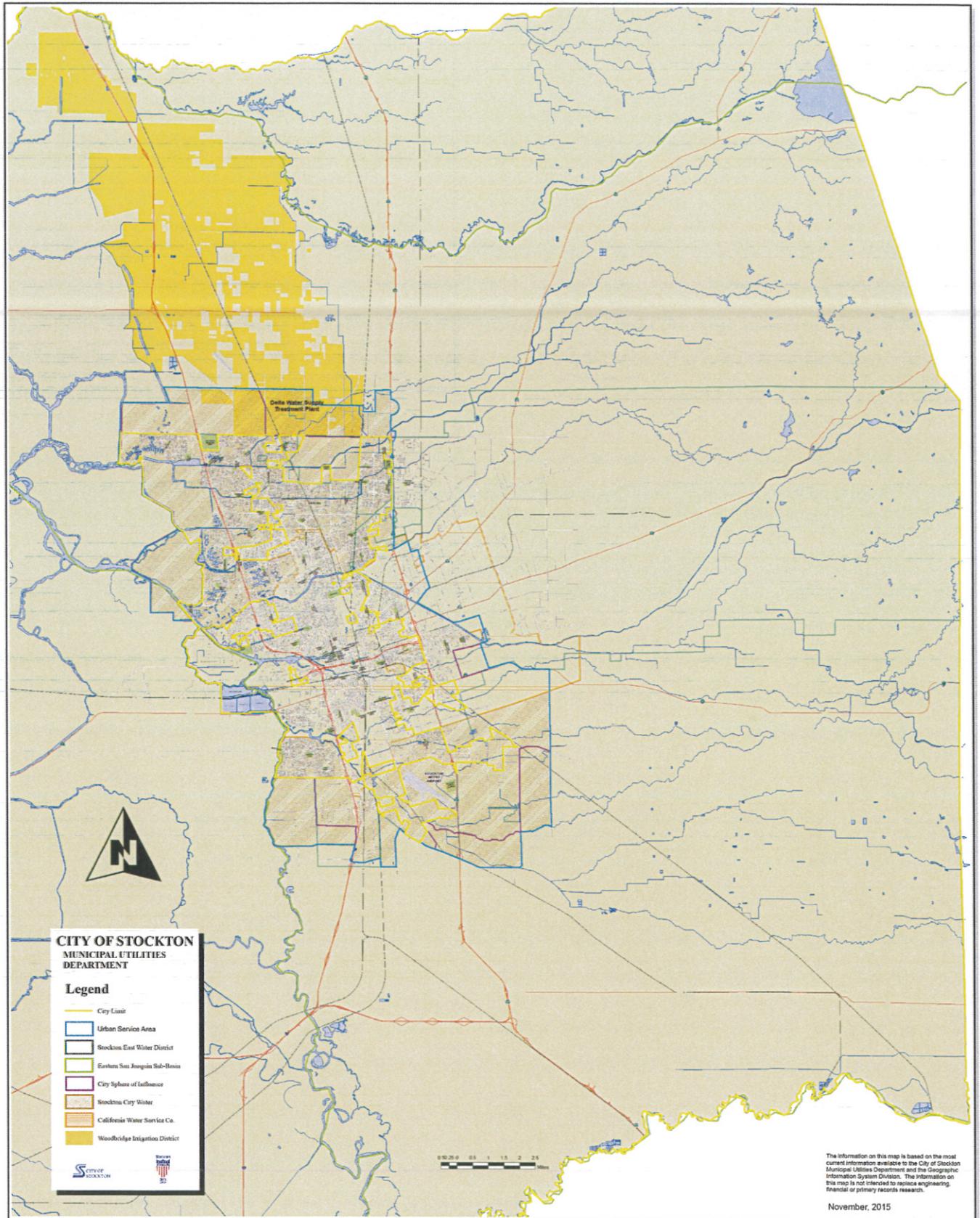
#### FINANCIAL SUMMARY

There are no immediate costs to participate in the Groundwater Sustainability Agency. However, if future program costs become needed, these will be budgeted in account 421-4210-572. (Water Resources) or other accounts authorized by the City Council.

There is no impact to the General Fund, or any other unrestricted fund, from this action.

Attachment A – Public Notice

Attachment B – Draft Notice of Intent, Map of Urban Service Area Boundaries and Consideration of Interests of Beneficial Users



Resolution No. 2015-12-08-1602

## STOCKTON CITY COUNCIL

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**RESOLUTION APPROVING THE INTENT OF CITY OF STOCKTON IN COMBINATION WITH CALIFORNIA WATER SERVICE COMPANY TO BECOME A GROUNDWATER SUSTAINABILITY AGENCY UNDER THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT FOR THE EASTERN SAN JOAQUIN COUNTY GROUNDWATER BASIN AND AUTHORIZING THE CITY MANAGER TO SUBMIT NOTICE OF THE INTENT TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES**

The Sustainable Groundwater Management Act of 2014 (SGMA) was signed into law by Governor Jerry Brown on September 16, 2014; and

The City of Stockton (City) is a local agency, as defined under SGMA, and is authorized to serve as a Groundwater Sustainability Agency (GSA); and

Where more than one local agency overlies a groundwater basin, SGMA calls on local agencies to cooperate to manage the groundwater basin in a sustainable manner for the common good; and

The City overlies a basin, the Eastern San Joaquin Sub-Basin (designated basin number 5-22.01 in the California Department of Water Resources Bulletin 118 basin system) (Basin); and

SGMA requires all high and medium priority groundwater basins to be managed by a GSA and the California Department of Water Resources (DWR) designated the Basin as "high priority", therefore requiring a Groundwater Sustainability Plan (GSP); and

Water Code section 10723.6 authorizes a combination of local agencies to form a GSA including a water corporation regulated by the Public Utilities Commission (PUC); and

California Water Service Company (Cal Water) is regulated by the PUC and has a general delegation of authority authorizing officers of the corporation to enter into agreements; and

The City intends to become and participate in the future formation of a GSA in combination with Cal Water for management of the Basin within the boundaries defined as the Urban Service Area until further action redefines those boundaries; and

The City in combination with Cal Water intends to work cooperatively with other

water agencies and the County of San Joaquin (County), as may be appropriate, to manage the Basin in a sustainable fashion and to also explore the possibility of forming a GSA agreement; and

No other GSA is currently operating within the Basin; and

On October 22, 2015, DWR posted a Notice of Intent to Become a GSA for Stockton East Water District (Notice) and if no other Notice is filed by another agency within 90 days, Stockton East Water District will be presumed to be the exclusive GSA within the Basin; and

Pursuant to Government Code section 6066, notice of a public hearing on the City's intent to become a groundwater sustainability agency for the Basin in combination with Cal Water has been published in the Stockton Record Newspaper as provided by law; and

Courtesy copies of the Notice were mailed to the San Joaquin County Board of Supervisors, Cal Water, and Stockton East Water District; and

On this day, the Stockton City Council held a public hearing to consider the decision and intention of the City in combination with Cal Water to become a GSA for management of the Basin; and

It would be in the best interest of the City in combination with Cal Water, to become a GSA for the Basin, and to begin the process of preparing a groundwater sustainability plan in corroboration with other agencies; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON,  
AS FOLLOWS:

1. The City Council hereby approves the decision and intent of the City in combination with Cal Water to become and form a GSA and participate in the future management of the Eastern San Joaquin County Groundwater Sub-Basin.

2. The City Council hereby authorizes within 30 days of the date of this Resolution, the City Manager or his designee to provide notice of the intention, a copy of this Resolution, a map showing the Basin within the Urban Service Area, and a list of beneficial users and users of groundwater, including those responsible for implementing a GSP to DWR in the manner required by SGMA.

3. The Director of Municipal Utilities (Director) is authorized to begin discussions with other local agencies to develop groundwater sustainability plans for the Basin and to ensure that all beneficial users and users of groundwater are included and considered.

4. The Director is also hereby authorized to develop a plan with other groundwater sustainability agencies in which the City might join in coordination with

other local agencies as contemplated by SGMA.

5. The City Manager is hereby authorized and directed to execute all required notices or agreements, and to submit such documents as may be required to provide for the sustainable management of the Basin.

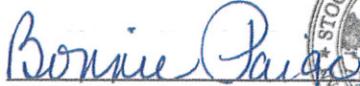
6. The City Manager is hereby authorized and directed to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED December 8, 2015.



ANTHONY SILVA, Mayor  
of the City of Stockton

ATTEST:



BONNIE PAIGE, City Clerk  
of the City of Stockton





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### Interested Parties

In accordance with section 10723.8(a)(4) of the Water Code, the City created a list of interests of beneficial users and will continue to amend this list as necessary during the Groundwater Sustainability Plan ("GSP") development process. Furthermore, as required by the Sustainability Groundwater Management Act (SGMA), the City will work cooperatively with interested parties.

The interested parties include, but are not limited to the following:

(a) Holders of overlying groundwater rights, including:

(1) Agriculture users.

Anticipates that the plan will include ag users.

(2) Domestic well owners.

Anticipates that the plan will exclude domestic wells.

(b) Municipal well operators.

The City of Stockton Council is comprised of six Council members and a mayor, with each member representing a separate district within the City. Two districts are designated from the City service area portion of the City, one district is designated from the California Water Service Co. (Cal Water) service area of the City, and the third represents a district straddling the two service areas; the mayor represents the entire City and thus also represents the two service areas. Therefore, both the City service area and Cal Water service area are well represented on the City of Stockton governing board.

(c) Public water systems.

San Joaquin County

(d) Local land use planning agencies.

San Joaquin County

Stanislaus County

Calaveras County

(e) Environmental users of groundwater.

Friends of the Lower Calaveras River

Calaveras River Watershed Stewardship Group

Calaveras River Fish Group

Fishery Foundation

(f) Surface water users, if there is a hydrologic connection between surface and groundwater flows.

San Joaquin County

Calaveras County Water District

South San Joaquin Irrigation District

Oakdale Irrigation District

Woodbridge Irrigation District

North San Joaquin Water Conservation District

Central San Joaquin Water Conservation District

(g) The federal government, including, but not limited to, the military and managers of federal lands.

Not Applicable

(h) California Native American tribes.

None

(i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems. The City of Stockton has identified disadvantaged communities within the Basin from DWR's web page, and will cooperate with San Joaquin County to work with any disadvantaged communities within the GSA relying on groundwater supplies.

(j) Entities listed in Water Code section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater Basin managed by the GSA. The City of Stockton participates in the Eastern San Joaquin Basin Ground Water Basin Authority which has a groundwater management plan adopted under Water Code Section 10750, et seq. San Joaquin County collects groundwater data, as part of the Eastern San Joaquin County Groundwater Basin Authority, the CASGEM monitoring entity, and the GSA will continue to coordinate with the county regarding the plan.