

PROPERTY OWNERS IMPACTED BY SGMA

Sustainable Groundwater Management Act (SGMA) Was Signed Into Law

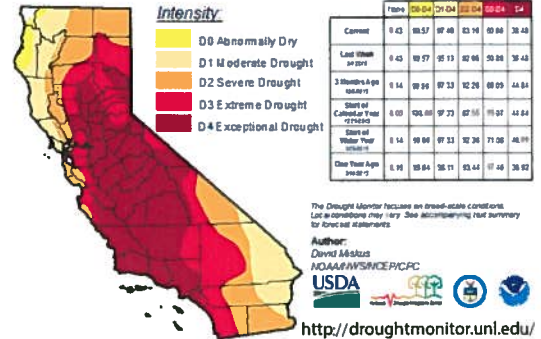
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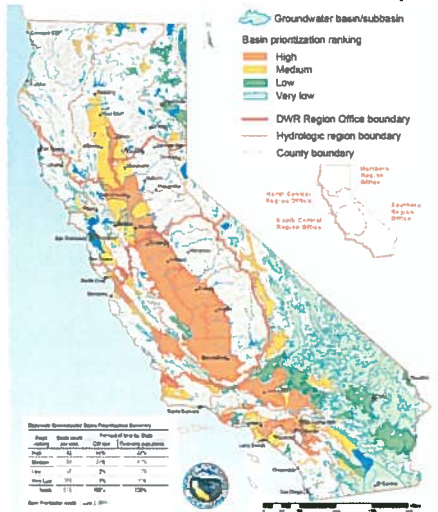
The California Drought Continues

The U.S. Drought Monitor has forecasted warmer weather and suggests that the multi-year drought will continue or even worsen. While a strong El Niño could be helpful, it would not end the long-term California drought. Therefore, a new water conservation law is currently being implemented, which may dramatically affect many California property owners; and those property owners who do not comply may be subject to fines and assessments.

U.S. Drought Monitor California



Groundwater Basin Prioritization Map



Sustainable Groundwater Management Act Was Signed Into Law

To combat the drought and better manage groundwater, SGMA was signed into law on September 16, 2014 (read more: <http://www.water.ca.gov/cagroundwater/legislation.cfm>). SGMA requires Groundwater Sustainability Agencies (GSAs) in high and medium priority basins to develop and implement Groundwater Sustainability Plans (GSPs). (read more: http://www.waterboards.ca.gov/water_issues/programs/gmp/sgma.shtml). GSAs also have the power to bring enforcement actions seeking civil penalties against property owners who do not comply with the Act. With the adoption of these GSPs, changes to local groundwater management practices will likely affect most drought-ridden California properties. An example of its immediate effect may be seen on property owners who rely on water wells. Implementation of a GSP may result in well pumping limitations, installation of meters, measured water extractions, and state-wide investigations into water rights.

Impact to Individual Property Owners

In addition to the potentially negative environmental impact of subsidence, property owners may face other negative impacts as well. It is important for agents to protect themselves from liability by disclosing the potential impact of SGMA on a property to a potential buyer. SGMA gives GSAs the following powers over water rights on private properties:

1. To impose fees and assessments against property owners.
2. To impose well spacing requirements on private properties.
3. To conduct investigation of water rights suspected of not complying.
4. To acquire property and water rights in spite of private property ownership.
5. To reclaim water not keeping with the Act's guidelines.
6. To require well registration to monitor and track private ownership water usage.
7. To regulate groundwater extractions of private property owners.
8. To adopt rules, regulations, ordinances, and resolutions over private wells.
9. To require well operators to measure and report extractions to government agencies.
10. To create and implement enforcement actions for non-compliance by property owners.
11. To require reporting of diversions to surface water storage to government agencies.

Property I.D. is the Only Natural Hazard Disclosure (NHD) Company That Discloses the State Groundwater Monitoring Program in Its NHD Report

Property I.D. is the only NHD company that has been disclosing the site-specific State Groundwater Monitoring Program in its NHD reports since the latter part of 2015. Buyers who don't receive a Property I.D. NHD report may be surprised to learn that their water rights are controlled by GSAs after they purchase their properties and hold their agents liable for non-disclosure. All NHD reports are different and no other NHD is as complete and accurate as Property I.D.

Further information on SGMA can be found on the following sites:

- http://www.waterboards.ca.gov/water_issues/programs/gmp/docs/sgma/sgma_brochure_jan2015.pdf
- <http://www.water.ca.gov/cagroundwater/legislation.cfm>
- http://www.waterboards.ca.gov/water_issues/programs/gmp/sgma.shtml

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