

Preliminary Statement BL

**BL. Sustainable Groundwater Management Act Memorandum Account (SGMA MA)**

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1. PURPOSE:

The SGMA Memorandum Account (SGMA MA) will track the cost of complying with the Sustainable Groundwater Management Act Regulations signed into law September 16, 2014, which set forth a framework for regulating groundwater. The Groundwater Sustainability Agency (GSA) has the legal authority to assess parties (groundwater pumpers, tax payers, property owners, municipalities, etc.) charges and fees to implement the projects identified in the Groundwater Sustainability Plans (GSP) to make the groundwater basin sustainable as early as 2040. The range of projects is unlimited and GSP specific.

2. APPLICABILITY:

All areas served by California Water Service Company.

3. ACCOUNTING PROCEDURE:

Cal Water shall maintain the SGMA MA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the account to record any assessments from the GSA to fund their cost of operations and capital programs.
- b. Interest shall accrue to the account on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. RATEMAKING PROCEDURE:

There is currently no ratemaking component to the memorandum account. Request for recovery of any balances are to be processed according to the General Order 96-B and Standard Practices or otherwise determined in a Commission decision.

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(To be inserted by utility)	Issued By	(To be inserted by CPUC)
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