

Preliminary Statement
San Luis Obispo Valley Groundwater Basin Memorandum Account

JJJJ. San Luis Obispo Valley Groundwater Basin Memorandum Account (SLOVGBMA)

(N)

Golden State Water Company (GSWC) request to establish the San Luis Obispo Valley Groundwater Basin Memorandum Account (SLOVGBMA).

1. **PURPOSE**

The purpose of the SLOVGBMA is to record the expenses GSWC incurs related to the implementation of the Sustainable Groundwater Management Act (SGMA) in the San Luis Obispo Groundwater Basin. This will include expenses incurred as a member of the City of San Luis Obispo and the County of San Luis Obispo's Groundwater Sustainability Commission (GSC). The GSC's purpose is to develop a single Groundwater Sustainability Plan as required under SGMA for the groundwater basin and to engage in such other activities as may be necessary or appropriate to ensure successful SGMA implementation.

Expected SGMA related expenses include, but not limited to the following types of activities:

- Groundwater Sustainability Commission (GSC) general administration;
- Consultant services for the preparation of the GSP;
- Legal Support;
- Stakeholder outreach;
- Shared implementation expenses

2. **APPLICABILITY**

The SLOVGBMA does not have a rate component.

- a. A debit entry shall be made to the SLOVGBMA at the end of each month to Record GSWC's allowable expenses as a Participating Party in the MOA and costs associated with being a member of the Groundwater Sustainability Commission.
- b. Interest shall accrue to the SLOVGBMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month 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.

3. **EFFECTIVE DATE**

The SLOVGBMA shall have an effective date of January 1, 2018.

4. **DISPOSITION**

Disposition of amounts recorded in the SLOVGBMA shall be determined in GSWC's next General Rate Case application or by advice letter, if the account's cumulative balance exceeds 2% of GSWC's adopted gross revenues in any given year.

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(Continued)

(To be inserted by utility)

Advice Letter No. 1774-W
Decision No. 19-05-044

Issued By
R. J. Sprowls
President

(To be inserted by P.U.C.)

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Resolution No. _____