
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1413 (Papan) - Sustainable Groundwater Management Act: groundwater adjudication

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Urgency: No

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Policy Vote: N.R. & W. 4 - 3, JUD. 10 - 3

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would prohibit a court, in an adjudication action for a basin required to have a groundwater sustainability plan pursuant to the act, from establishing a safe yield or sustainable yield for the basin that exceeds the sustainable yield of the basin as established in a valid groundwater sustainability plan for the basin. This prohibition would not apply to a comprehensive adjudication in which a court has issued a final determination on the basin's safe or sustainable yield prior to January 1, 2026.

Fiscal Impact:

- Unknown, potentially significant cost pressures to the state-funded trial courts due to additional workload (Trial Court Trust Fund, General Fund).
- To the extent that courts seek additional input or assistance from the State Water Board or Department of Water Resources (DWR) as a result of this bill, there could be additional state costs associated with State Water Board or DWR workload (General Fund).

Background: In 2014, to address overdraft and other adverse effects of excessive pumping, the Legislature passed SGMA, a statewide framework for groundwater management with the goal of managing and using groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.

Under SGMA, a local agency or combination of local agencies overlying a groundwater basin may become a groundwater sustainability agency (GSA) for that basin. A GSA has broad management authority of the groundwater basin or basins under their jurisdiction, including defining the basin's or basins' sustainable yield, limiting groundwater extraction, and imposing fees. GSAs are required to consider the interests of all beneficial uses and users of groundwater, including, but not limited to, holders of overlying groundwater rights, municipal well operators, public water systems, local land use planning agencies, environmental users of groundwater, surface water uses, the federal government, California Native American tribes, and disadvantaged communities. GSAs are authorized to perform any act necessary to carry out the purposes of SGMA, including adopting rules, regulations, and ordinances and developing the GSP.

SGMA requires GSAs in medium- and high-priority groundwater basins, which includes 21 critically overdrafted basins, to develop and implement GSPs. GSAs may customize their GSPs to their regional economic and environmental circumstances. Thus, while SGMA provides for the sustainable management of groundwater basins, it does so by

empowering local agencies to manage groundwater basins, while minimizing state intervention.

SGMA also stipulated that it did not alter surface or groundwater rights.

Validation actions under SGMA. After a GSA has adopted its GSP, the GSA may file an action to determine the validity of the plan. This is commonly referred to as a “validation action.” Similarly, a party may challenge the validity of a GSP by filing a “reverse validation action.”

Validation actions are subject to a substantial evidence standard. Under this standard, if a court determines by a preponderance of the evidence that the substantial evidence on the record supports the agency, the agency’s decision is validated. In the context of a GSP, the court would examine all studies on the record, public comments, and findings of the GSA to determine if the GSP is supported by substantial evidence.

According to information provided by the author’s office, there appear to be at least two reverse validation actions challenging a GSP, both initiated by the California Sportfishing Protection Alliance. These are: Eastern San Joaquin Subbasin (Stanislaus Superior Court, Case no. CV-200-001720) and Butte Subbasin (Butte Superior Court, case no. 22CV0038).

Adjudications. A groundwater adjudication is when parties ask a court to resolve conflicts over groundwater rights. An adjudication is initiated when one or more groundwater pumpers files a civil action asking the court to intervene to determine groundwater rights and/or limit pumping to a basin’s “safe yield” (the amount of groundwater pumped that is equal to the average replenishment rate of a groundwater basin).

Groundwater adjudications can cover an entire basin, a portion of a basin, or a group of basins, and may include non-basin areas. Groundwater rights are defined for the overlying landowners and appropriators within the adjudicated area. The court decides who is allowed to extract groundwater, how much they are allowed to extract, and designates a watermaster who ensures the adjudicated areas are managed in accordance with the court ruling. According to Bulletin 118, as of 2020, there are 30 adjudicated areas, mostly in Southern California, that cover portions of 42 groundwater basins. Five of the 42 basins are covered with two or more adjudications.

According to the Water Education Foundation, “through adjudication, the courts can assign specific water rights to water users and can compel the cooperation of those who might otherwise refuse to limit their pumping of groundwater.”

State law gives every overlying property owner a potential right in an unadjudicated groundwater basin. As such, determining who has groundwater rights that could be affected by an adjudication and the scope of those rights is difficult and can be a lengthy process; adjudications typically take more than a decade to resolve. Identifying and noticing every party that may have a right, completing technical work and sorting through disagreements over this technical work, and determining historic groundwater use which could affect the scope of one’s rights are all factors that can contribute to

increasing the time and expense of an adjudication.

In an attempt to streamline the groundwater adjudication process in the wake of SGMA's passage, the Legislature passed SB 226 (Pavley, Chapter 676, Statutes of 2015) and AB 1390 (Alejo, Chapter 672, Statutes of 2015). Together the two bills sought to establish the methods and procedures for a comprehensive adjudication. AB 1390 requires that these adjudication provisions be applied and interpreted consistently with all of the following, amongst others:

- Protecting water rights consistent with the reasonable and beneficial use doctrine;
- Conducting adjudication in a manner that promotes efficiency, reduces unnecessary delays, and provides due process; and
- Conducting adjudication that is consistent with the achievement of groundwater sustainability within the timeframes of SGMA.

SB 226 requires the court, in an adjudication action to determine rights to groundwater in a basin that is required to have a GSP under SGMA, to manage the proceedings in a manner that minimizes interference with the timely completion and implementation of a GSP, avoids redundancy and unnecessary costs in the development of technical information and a physical solution, and is consistent with the attainment of sustainable groundwater management within the timeframes established by SGMA.

Proposed Law: This bill would:

1. Prohibit a court, in an adjudication action for a basin required to have a groundwater sustainability plan pursuant to the act, from establishing a safe yield or sustainable yield for the basin that exceeds the sustainable yield of the basin as established in a valid groundwater sustainability plan for the basin.
 - a. This prohibition would not apply to a comprehensive adjudication in which a court has issued a final determination on the basin's safe or sustainable yield prior to January 1, 2026.
2. Require a validation action brought against a GSP to be brought within 180 days of adoption, and any other action challenging an action of a GSA to be brought within 90 days of that action.
3. Authorize, for any groundwater basin in which a comprehensive groundwater adjudication was filed prior to January 1, 2025, a party that has timely appeared in that adjudication to file an action on or before March 2, 2026, under specified circumstances.
4. Require an action against a GSA that is located in a basin that is being adjudicated to be consolidated with a comprehensive adjudication if the action concerns the adoption, substance, or implementation of a groundwater sustainability plan, or the GSA's compliance with the timelines in the SGMA.
5. Require the court hearing the consolidated action to try the cause of action for judicial review of the GSP's determination of a basin's sustainable yield before trying any other issue in the action.

6. Provide that a judgment substantially impairs the ability of those entities to comply with the SGMA and to achieve sustainable groundwater management if it permits more total pumping from the basin annually or on average than the sustainable yield of the basin established in the latest GSP(s) that have received a determination from the DWR that the plan or plans are likely to achieve the sustainability goal for the basin and have been validated by a final judgment or by operation of law when no validation action was filed.
7. Make other changes.

Related Legislation: AB 1466 (Hart, 2025) would, among other things, authorize a court to exempt or treat separately claimants who extract or divert minor quantities of water, and require a party's initial disclosure to include information relating to agricultural use in a groundwater adjudication.

AB 560 (Bennett, 2024) would have required parties to a comprehensive groundwater adjudication to submit a proposed settlement to the State Water Board for a nonbinding advisory determination regarding its impact on sustainable groundwater management and small and disadvantaged users prior to filing it with the court, among other provisions. AB 560 died in the Senate Appropriations Committee.

AB 779 (Wilson, Ch. 665, Stats. 2024), made various changes regarding proceedings in a comprehensive groundwater adjudication to increase transparency and account for the needs of disadvantaged communities and small farmers in a final judgment, and provided that groundwater pumpers in a basin subject to an adjudication continue to comply with any applicable GSP while the adjudication is pending.

SB 226 (Pavley, Ch. 676, Stats. 2015) integrated and streamlined the groundwater adjudication process for groundwater basins that are subject to SGMA.

AB 1390 (Alejo, Ch. 672, Stats. 2015) established requirements and procedures for a comprehensive groundwater adjudication to ensure the proceedings and final judgment are consistent with sustainable groundwater management.

SB 1168 (Pavley, Ch. 346, Stats. 2014) was part of the three-bill package that enacted SGMA.

SB 1319 (Pavley, Ch. 348, Stats. 2014) was part of the three-bill package that enacted SGMA.

AB 1739 (Dickinson, Ch. 347, Stats. 2014) was part of the three-bill package that enacted SGMA.

Staff Comments: It is unknown how many actions will be as a result of this bill. However, the estimated workload cost of one hour of court time is approximately \$1,000. If additional causes of action are filed that, combined, result in 50 hours or more of court time, then this bill would meet the Suspense File threshold based on court workload cost pressure alone. Although courts are not funded on the basis of workload, increased pressure court staff time and resources may create a need for increased funding for courts from the General Fund to perform existing duties. Numerous trial court operations are funded through the imposition and collection of fines and fees.

However, the Legislature has reduced and eliminated fines and fees over the past decade. As a result, the 2023-24 proposed budget anticipates an ongoing annual allocation of \$109.3 million from the General Fund to the Trial Court Trust Fund in order to address the decline in revenue.

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