

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 1466 (Hart)
Version: June 26, 2025
Hearing Date: July 15, 2025
Fiscal: Yes
Urgency: No
AM

SUBJECT

Groundwater adjudication

DIGEST

This bill, in actions to adjudicate groundwater rights, authorizes 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. The bill requires a court to request the local groundwater sustainability agency (GSA) provide a technical report that quantifies and describes the groundwater uses of parties that have not otherwise appeared before the court.

EXECUTIVE SUMMARY

Groundwater is a critical source of water supply in this state that meets more than 40 percent of water demand in an average year and more than 60 percent of demand during drought years. The adjudication of groundwater rights in the state can be complex and involve many parties and counterclaims. In 2014, the Sustainable Groundwater Management Act (SGMA) was passed to establish local groundwater sustainability agencies (GSAs), who are responsible for implementing SGMA by bringing their over-drafted groundwater basins into sustainable yield. However, SGMA explicitly states that it does not alter preexisting groundwater rights.¹

This bill seeks to address the burdens that adjudications place on small farmers and pumpers in groundwater adjudications. The author agreed to make amendments in the Senate Natural Resources and Water Committee that, due to timing, are being processed in this Committee. (*see* Comment 4, below). The bill is author sponsored. It is supported by Community Alliance With Family Farmers and Indian Wells Valley Groundwater Authority. The bill is opposed by several agricultural and business

¹ Wat. Code § 10720.5(b) stating "nothing in [SGMA], or in any groundwater management plan adopted pursuant to this part, determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights."

interests and various water agencies and districts. The bill passed the Senate Natural Resources and Water Committee on a vote of 5 to 2.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Declares that because of the conditions prevailing in this state the general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare, and that the right to water or to the use or flow of water in or from any natural stream or water course in this state is to be limited to such water as is reasonably required for the beneficial use to be served, and such right does not extend to the waste or unreasonable use or unreasonable method of use or unreasonable method of diversion of water. (Cal. Const. art. X, § 2.)
- 2) Provides that no water is to be available for appropriation by storage in, or by direct diversion from, any of the components of the California Wild and Scenic Rivers System, as such system exists on January 1, 1981, where such appropriation is for export of water into another major hydrologic basin of the State, as defined by the Department of Water (DWR), unless such export is expressly authorized prior to such appropriation by an initiative statute approved by the electors, or the Legislature, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring. (*Ibid.*)
- 3) Establishes SGMA with the goal of providing for the sustainable management of groundwater basins, enhancing local management of groundwater consistent with rights to use or store groundwater, providing local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater, and establishing minimum standards for sustainable groundwater management.
 - a) Defines sustainable management of groundwater as the avoidance of the following six “undesirable results:”
 - i. chronic lowering of groundwater levels;
 - ii. reduction of groundwater storage;
 - iii. seawater intrusion;
 - iv. degraded water quality;
 - v. land subsidence; and
 - vi. depletions of interconnected surface water. (Wat. Code § 10720 et seq.)

- 4) Provides that nothing in SGMA determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights. (Wat. Code § 10720.5(b).)
- 5) Authorizes the creation of local GSAs and requires GSAs to consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans (GSP). (Wat. Code § 10723.2.)
- 6) Establishes the procedures for a court to use when adjudicating a groundwater basin. (Code of Civ. Proc. §§ 830 et seq.)
 - a) Provides that in a comprehensive adjudication, the court may determine all groundwater rights of a basin, whether based on appropriation, overlying right, or other basis of right, and use of storage space in the basin. (Code Civ. Proc. § 834.)
- 7) Provides that a court may enter a judgment in a comprehensive groundwater adjudication if the court finds that the judgment meets all of the following criteria:
 - a) it is consistent with Section 2 of Article X of the California Constitution;
 - b) it is consistent with the water right priorities of all non-stipulating parties and any persons who have claims that are exempted in the basin;
 - c) it treats all objecting parties and any persons who have claims that are exempted as compared to the stipulating parties; and
 - d) it considers the water use of and accessibility of water for small farmers and disadvantaged communities, as provided. (Code Civ. Proc. § 850(a).)
- 8) Requires a court presiding over an adjudication to manage the proceedings in a manner that does not interfere with the completion and implementation of a GSP and that is consistent with sustainable groundwater management under SGMA. (Wat. Code § 10737.2.)
- 9) Provides a court is not to approve entry of judgment in an adjudication action for a basin required to have a GSP unless the court finds that the judgment will not substantially impair the ability of a GSA, the State Water Resources Control Board (SWRCB), or DWR to comply with SGMA and to achieve sustainable groundwater management. (Wat. Code § 10737.8)
- 10) Authorizes a court, if the court finds that claims of right to extract or divert only minor quantities of water (not more than five acre-feet of water per year) would not have a material effect on the groundwater rights of other parties, to exempt those claimants but a person who is exempted may elect to continue as a party to the comprehensive adjudication. (Code Civ. Proc. § 833(d))
- 11) Requires the plaintiff to take certain actions to serve notice regarding the comprehensive adjudication, including mailing, by registered or certified mail,

return receipt requested, the notice, complaint, and form answer to all holders of fee title to real property in the basin. (Code Civ. Proc. § 836)

- 12) Requires an action against a GSA that is located in a basin that is being adjudicated to be coordinated and consolidated with the adjudication, as appropriate, if the action concerns the adoption, substance, or implementation of a GSP, or the GSA's compliance with the timelines in SGMA. (Code Civ. Proc. § 838).
- 13) Requires a party, within six months of appearing in a comprehensive adjudication, to serve an initial disclosure on the other parties that includes certain information including, amongst others, quantity of water extracted from the basin by the party, type of water rights claimed by the party, and any claims for increased or future use of groundwater. (Code Civ. Proc. § 842)
- 14) Provides that a court has the authority and duty to impose a physical solution on the parties subject to a comprehensive adjudication when necessary to ensure the water is put to reasonable and beneficial use. (Code Civ. Proc. § 849 (a)).

This bill:

- 1) Authorizes a court to treat claimants that extract or divert minor quantities of water (not to exceed five acre-feet of water per year) separately from other parties to the comprehensive adjudication by separately processing and entering judgments with respect to those persons.
- 2) Requires a court, after a plaintiff files with the court a notice of completion of the specified required mailing, to hold a hearing to determine whether to exempt or treat separately the claimants that extract or divert minor quantities of water and to establish a procedure to register those claims.
- 3) Requires the initial disclosure required of parties that appear in a comprehensive adjudication to also include, if the groundwater was used for agricultural use, the type of crops grown and the number of acres irrigated during the previous 10 years.
- 4) Presumes that the information is accurate if the party is claiming less than an average annual extraction of 100 acre feet per year, or an amount of average historical extraction of water deemed reasonable by the court. If a party challenges the submitted information, that party has the burden of proof.
- 5) Requires the court, in adjudications in basins in which a GSP has been approved by DWR, to request that the GSA provide a technical report that quantifies and describes the groundwater use of parties that have not otherwise appeared before the court. If the GSA provides this report, the GSA is not entitled to a fee for its

services but requires the GSA be reimbursed the total expense incurred by the agency.

- 6) Provides that the above described report shall be prima facie evidence of the physical facts found in the report, but requires the court to hear evidence that may be offered by any party to rebut the report or prima facie evidence.

COMMENTS

1) Stated need for the bill

The author writes:

Assembly Bill 1466 streamlines groundwater adjudications, reduces unnecessary litigation costs, and protects small and disadvantaged water users from being caught up in costly legal battles. The bill allows small and disadvantaged water users – whose pumping does not substantially impact the basin – to request an exemption from the full adjudication process. It also requires the local groundwater sustainability agency to report on water use by all pumpers in the basin, helping ensure that small and disadvantaged communities are represented throughout the adjudication. By improving the fairness of groundwater adjudications, AB 1466 strengthens California’s efforts to sustainably manage its groundwater resources while safeguarding the rights of vulnerable water users.

2) Adjudication of water rights and SGMA

The adjudication of water rights in the state can be complex and involve many parties. According to the State Water Resources Control Board a “water right” is a legal entitlement authorizing water to be diverted from a specified source and put to beneficial, nonwasteful use. Water rights are property rights, but their holders do not own the water itself.”² Existing state law recognizes three types of water rights – riparian rights, appropriative rights, and groundwater rights. With the impacts of climate change affecting the scarcity and availability of water, via droughts and other conditions, litigation around water rights will likely increase in the near future. This bill is focused on addressing concerns with the adjudication of groundwater rights and the sustainability of groundwater basins.

² State Wat. Resources Control Bd., *The Water Right Process* (updated Aug. 20, 2020), available at https://www.waterboards.ca.gov/waterrights/board_info/water_rights_process.html.

a. SGMA

In 2014, the Legislature passed SGMA,³ which put in place a statewide framework for groundwater management for the first time, but specified that it did not alter surface or groundwater rights. The purpose of SGMA was to address overdraft and other adverse effects of excessive pumping of groundwater. SGMA specifically provides that its provisions do not determine or alter surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights. (Wat. Code § 10720.5(b).) After the enactment of SGMA, the Legislature passed SB 226 (Pavley, Ch. 676, Stats. 2015) and AB 1390 (Alejo, Ch. 672, Stats. 2015) with the intent of streamlining the adjudication process for groundwater rights. Under SB 226, a court must adjudicate rights to groundwater in a basin that is required to have a GSP under SGMA 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. (Wat. Code § 10737.2.) AB 1390 authorized a GSA for the basin, a city, county, or city and county that overlies the basin, and certain persons to intervene in a groundwater adjudication. (Code of Civ. Proc. § 837 & 837.5.) Last session, AB 779 (Wilson, Ch. 655, Stats. 2023) was enacted to, among other things, to ensure that the water use of small farmers and disadvantaged communities have been considered by a court before a judgment is entered.

b. Groundwater adjudication proceedings

Under state law, every overlying property owner has a potential right in an unadjudicated groundwater basin, which makes adjudication of those rights difficult and often a very lengthy process. Sometimes taking more than a decade for water rights holders and basin managers to come to an agreement. Existing state law provides that a court may enter a judgement in a comprehensive groundwater basin adjudication if the judgement is consistent with the reasonable use doctrine, is consistent with the rights of parties exempted from the adjudication, and treats all objecting and exempted parties equitably. (Code Civ. Proc. § 850(a).) Any party to the adjudication may propose a stipulated judgment to the court, and the court may adopt the stipulated judgment if the parties proposing the settlement represent 75 percent of the groundwater pumped in the basin or if 50 percent of the pumpers in the basin agree to the stipulated judgment (*Id.* at (b).) The party proposing the stipulated judgment may submit the proposed stipulated judgment to DWR for an evaluation and assessment that it satisfies the objects of SGMA for the basin, and DWR can recommend corrective actions. (Wat. Code § 10737.4.) The court may determine it is necessary to amend the judgment to adopt DWR's recommended corrective actions. (*Ibid.*). This process, however, is only triggered

³ Enacted through a three bill package AB 1739 (Dickinson, Ch. 347, Stats. 2014), SB 1168 (Pavley, Ch.346, Stats. 2014), and SB 1319 (Pavley, Ch. 348, Stats. 2014).

if a party chooses to submit the proposed settlement. Additionally, a court is not to approve entry of judgment in an adjudication action for a basin required to have a groundwater sustainability plan unless the court finds that the judgment will not substantially impair the ability of a GSA, SWRCB, or DWR to comply with SGMA and to achieve sustainable groundwater management. (Wat. Code § 10737.8.) A court is also required to consider the water use of and accessibility of water for small farmers and disadvantaged communities when issuing a judgment in a comprehensive water adjudication. (Code Civ. Proc. § 850(a)(4).)

According to the Senate Natural Resources and Water Committee, there are currently five pending groundwater adjudications:

- Santa Clara Valley – Oxnard (No. 4-001.2) and Pleasant Valley (No. 4-006) groundwater basins, commenced in December 2022. A coalition of pumpers, the “OPV Coalition,” initiated this action in December 2022 against the Fox Canyon Groundwater Management Agency (FCGMA) (the GSA for the basins) asserting six causes of action: (1) seeking a comprehensive groundwater adjudication; (2) seeking quiet title to plaintiffs’ claims to use groundwater; (3), (4), and (5) writs of mandate challenging the GSP or FCGMA’s efforts to implement the GSP; and (6) alleging a violation of the California Environmental Quality Act. The court has stayed all causes of actions while it hears the comprehensive groundwater adjudication; this first phase is currently underway. DWR approved the GSPs for both basins in November 2021.
- Cuyama Valley groundwater basin (No. 3-013), commenced in March 2022. Two large agricultural pumpers, Bolthouse Land Company and Grimmway Enterprises, initiated this action in March 2022 seeking a comprehensive groundwater adjudication and quiet title to plaintiffs’ claims to use groundwater. DWR approved the GSP for this basin in May 2023 and it is currently undergoing its first 5-year review.
- Indian Wells groundwater basin (No. 6-54), commenced in November 2021. A number of legal actions have taken place in this basin in recent years. The Indian Wells Valley Water District (not part of the basin’s GSA) filed the action seeking a comprehensive groundwater adjudication in June 2021; however, this was a cross-complaint to another action filed by an agricultural pumper, Mojave Pistachios, challenging the GSP for the basin. The crux of the conflict is that various parties in the basin disagree about the basin’s sustainable yield; some pumpers allege the Indian Wells Valley Groundwater Authority (IWVGA), the GSA for the basin, underestimated it. The adjudication is in the first phase to determine the U.S. Navy’s federal reserved rights to groundwater in the basin. It is expected that there will be at least two more phases on safe yield and then individual groundwater rights. DWR approved the GSP for this basin in January 2022.

- Upper Ventura River (No. 4-3.01), Ojai Valley (No. 4-2), Lower Ventura River (No. 4-3.02), and Upper Ojai Valley (No. 4-1) groundwater basins, commenced in November 2019. Santa Barbara Channelkeeper initiated a suit against the City of Ventura in 2014 to limit the city's use of water from the Ventura River. The City of Ventura filed a cross-complaint in December 2019 alleging nine claims for relief, one of which seeks a comprehensive groundwater adjudication of these basins. DWR approved the GSP for Ventura River in May 2023 and for Ojai Valley in October 2023.
- Las Posas Valley groundwater basin (No. 4-8), commenced in November 2018. A coalition of pumpers, the "Las Posas Valley Water Rights Coalition," initiated this action in October 2018 against FCGMA (i.e., the GSA for the basin) seeking a comprehensive groundwater adjudication. Parties reached a settlement in spring 2023 that the court adopted in July 2023. DWR approved the GSP for this basin in January 2022; this will be supplanted by the judgment in the comprehensive groundwater adjudication. As a separate issue, it is unclear if all the landowners received proper notice of the adjudication.⁴

An additional adjudication in the Borrego Valley groundwater subbasin (No. 7-024.1) commenced in July 2020; the court approved a stipulated judgment to settle this adjudication on April 8, 2021 and the case is no longer active.⁵

3) This bill seeks to address the issue of small pumpers in groundwater adjudications

Small farmers and under-resourced community members often lack the time and resources to hire lawyers, participate in proceedings, or track down court documents to stay updated on the process. Existing law authorizes a court to exempt claimants with respect to those claims for only minor quantities of water, if the court finds that claims of right to extract or divert only minor quantities of water, not to exceed five acre-feet of water per year, would not have a material effect on the groundwater rights of other parties. This bill seeks to address the equity concerns raised by the burden of adjudicating water rights on smaller farmers and pumpers.

Next, the bill expands the information that is to be included in an initial disclosure to the court in a groundwater adjudication to include the type of crops grown during each of the 10 calendar years immediately preceding the filing of the complaint and the number of acres the party irrigated during each of the 10 calendar years immediately preceding the filing of the complaint, if for an agricultural use. Under the bill, the court is required to presume the accuracy of the facts asserted in the initial disclosure if a party claims either of the following:

⁴ Sen. Nat. Res. & Wat. Comm. analysis AB 1466 (2025-26 reg. sess.) as amended Jun. 26, 2025.

⁵ *Ibid.*

- less than an average annual extraction of 100 acre-feet of water per year; and
- an amount of average historical extraction of water the court deems reasonable.

A party who challenges the facts asserted by a party claiming the above in an initial disclosure has the burden of proving the inaccuracy of those facts.

The bill expands the authority of the court to address the claims of rights to extract or divert only minor quantities of water to additionally allow the court to treat those claimants separately from other parties to the comprehensive adjudication by separately processing and entering judgments with respect to those persons, in order to reduce their burden of participation, but also to more efficiently administer the entire adjudication. Under the bill, the court is required to hold a hearing, as soon as practicable, to determine whether to exempt, as existing law allows, or treat separately, as this bill would allow, those claimants who extract or divert only minor quantities of water.

Lastly, the bill requires a GSA to provide a report that quantifies and describes the groundwater use of parties that have not otherwise appeared before the court. The goal of this provision is to ensure that the courts are aware of and actively contemplating the groundwater rights of absent claimants. Opponents to the bill raise concerns about this provision of the bill, noting that it seems to be intended to act as a stand in for a pumper who does not respond to the notice of an adjudication. They argue that a GSA standing in for the interests of a party not before the court raises ethical concerns and potentially creates a conflict of interest.

4) Senate Natural Resources and Water Committee Amendments

This Committee will be, due to timing, processing the following amendments agreed to in the Senate Natural Resources and Water Committee.

Amendment 1

On page 9, in line 3, strike out “If the” and insert:

A

Amendment 2

On page 9, in line 3, after “agency” insert:

that

Amendment 3

On page 9, in line 4, strike out “(1), the agency” and insert:

(1)

5) Statements in support

The Community Alliance with Family Farmers writes in support, stating:

AB 1466 [...] will place the burden of proof on parties that seek to challenge the findings of a Groundwater Sustainability Agency (GSA) through a comprehensive adjudication.

We are concerned that large-scale farming interests have at times filed for adjudication when the process at their local GSA has resulted in lower pumping than they would prefer, and so they aim to achieve a better deal in court. We support requiring the burden of proof be upon those who seek to file an adjudication.

We are also heartened by the ways that this bill could support small farms navigating adjudications, since the current structure makes it extremely challenging for them. CAFF is actively working on education and outreach to small farmers about the Sustainable Groundwater Management Act (SGMA) around the state, since many small farmers still lack a clear understanding of what SGMA is or how it could impact their water use. This is doubly challenging in basins facing an adjudication: many farmers don’t understand adjudication notices. Once a trial is underway, the cost of an attorney is prohibitive for many small farms and rural residents, and they are not usually available to travel to a distant court outside their county.

Amendments have been proposed that offer a suite of options to courts. This would allow a judge to determine the right approach for the particular subbasin at hand: offering class counsel to small pumpers in the region, requiring a report from the GSA that quantifies the water use of parties that have not appeared before the court, or preserving the water rights of small pumpers below a certain threshold and excusing them from the adjudication. While we think 100 acre-feet/year annually is a good starting point for this threshold, we know that subbasins vary greatly around the state and think a bar for small-scale pumping should be set based on some proportion of that subbasin’s average pumping. We would be open to other avenues that ensure the water needs of small-scale farmers are appropriately protected in basins undergoing adjudications. [...]

6) Statements in opposition

A large coalition of organizations representing various agricultural industries and some groundwater sustainability agencies write in opposition unless amended, stating the bill:

“[R]equires GSAs within a basin being adjudicated to provide courts with a technical report that, at a minimum, “quantifies and describes the groundwater use of parties that have not otherwise appeared before the court.” This would place a substantial burden on GSAs and would likely distract them from their primary mission of groundwater management.

We are also concerned that the language appears to be a stand in for a pumper who does not respond (for whatever reason) to the notice of an adjudication, even though the current version of the bill provides a streamlined path for a small pumper to fill out a form, submit it to the court, and then remain on the sidelines of the comprehensive adjudication while retaining their water right.

If the report does operate as a stand in for pumpers, this presents other issues for GSAs. Specifically, GSAs may (and depending on the composition of the board, most likely would) have a conflict of interest and therefore would be legally and ethically unable to represent the interests of other pumpers in an adjudication. Groundwater pumpers have to make themselves known in some way to the court in order to be addressed in the adjudication: either by express exemption or by inclusion in the final judgment. [...]

SUPPORT

Community Alliance With Family Farmers
Indian Wells Valley Groundwater Authority

OPPOSITION

Almond Alliance
Alta Irrigation District
Arvin-Edison Water Storage District
Association of California Water Agencies
Buena Vista Water Storage District
California Chamber of Commerce
California Citrus Mutual
California Farm Bureau Federation
California Fresh Fruit Association
California Municipal Utilities Association (CMUA)
California Tomato Growers Association
Central Delta-Mendota Groundwater Sustainability Agency
Central Kings Groundwater Sustainability Agency

East Turlock Subbasin Groundwater Sustainability Agency
Indian Wells Valley Water District
Kern County Farm Bureau
Kern Non-districted Land Authority GSA
Milk Producers Council
Nisei Farmers League
Searles Valley Minerals
Water Blueprint for the San Joaquin Valley Advocacy Fund
West Turlock Subbasin GSA
Western Growers Association
Western Plant Health Association

RELATED LEGISLATION

Pending Legislation: AB 1413 (Papan, 2025), among other things, requires a validation action for a GSP to be filed within 180 days and prohibits the court from establishing a safe yield or sustainable yield of a basin that exceeds the sustainable yield in a valid GSP. AB 1413 is set to be heard in this Committee on the same day as this bill.

Prior Legislation:

AB 560 (Bennett, 2024), among other provisions, 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. AB 560 dies 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.

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.

PRIOR VOTES

Senate Natural Resources and Water Committee (Ayes 5, Noes 2)
Assembly Floor (Ayes 50, Noes 20)
Assembly Appropriations Committee (Ayes 11, Noes 4)
Assembly Judiciary Committee (Ayes 9, Noes 3)
Assembly Water, Parks and Wildlife Committee (Ayes 9, Noes 4)
