

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2026 (Aguiar-Curry) – As Amended April 22, 2026

Policy Committee:	Water, Parks and Wildlife	Vote:	11 - 0
	Natural Resources		12 - 0

Urgency: No                      State Mandated Local Program: No                      Reimbursable: No

**SUMMARY:**

This bill makes numerous changes to existing authority and permitting processes for groundwater recharge projects, including changes related to diversion of “floodflows” for groundwater recharge without a permit and minor applications to divert water to underground storage within or upstream of the Delta pursuant to a minor application, a 180-day temporary urgency permit, or a five-year temporary permit.

For a detailed summary of this bill’s provisions, please refer to the Assembly Water, Parks, and Wildlife Committee’s analysis of this bill.

**FISCAL EFFECT:**

- 1) The State Water Board estimates about \$3.8 million in ongoing annual costs due to increased temporary and standard permitting and floodflow diversions. This includes two positions for increased work on emergency floodflow diversions, six positions for increased work on standard water right applications, three positions for increased work on temporary permits, one attorney, and three Information Technology (IT) and administrative staff. Workload includes developing and implementing new programs, promulgating new regulations and methodologies, and increased tribal consultation when applicable.

For floodflow diversions, the State Water Board anticipates increased submittals because of changes to the U.S. Army Corps definition of flood (essentially making it easier to claim flood releases) and because of ambiguity in the bill language. It is not clear to the State Water Board who would bear the brunt of evaluating how potential diversions impact downstream diverters and the ecosystem – but it would likely be the board.

The bill makes many changes that are intended to make it easier for entities to submit temporary permits and streamline the permitting process. However, the State Water Board contends the bill introduces ambiguity that may make the timelines for temporary permits longer. For example, while the bill includes a California Environmental Quality Act (CEQA) exemption for private diverters, the bill preserves tribal consultation requirements. It is not clear which agency would serve as the CEQA lead for tribal consultation purposes, but it would likely be the State Water Board. Staff would need to ensure permits are done correctly and in accordance with the requirements of the bill. In addition, the proposed changes to the water availability analysis (going to an 80<sup>th</sup> percentile touchpoint with a 50<sup>th</sup> percentile recession minimum) would presumably open up many more opportunities for diversions and result in an increase in applications that require processing. The State Water Board notes its

existing permitting staff are at capacity, and the increase in workload will require additional staff resources.

Administrative and IT staff would, among other things, process an increased number of permits, keep the flood reporting portal up-to-date and ensure the portal is integrated with CalWATRS, and potentially build new Geographic Information System capabilities.

Most of these costs would be borne by the Water Rights Fund (which is generally supported by fees) with \$500,000 annually (mostly related to IT and administrative workload) attributable to the General Fund. It is unclear to the committee the extent to which certain provisions in the bill, like exempting certain actions from the California Environmental Quality Act, may result in cost savings to the State Water Board and Regional Water Quality Control Boards.

- 2) The California Department of Fish and Wildlife (CDFW) estimates ongoing annual General Fund costs of about \$850,000 for one senior environmental scientist specialist and six scientific aids. CDFW anticipates an increase in workload across all its regions and anticipates staff would need to review permit applications; consult and correspond with applicants; conduct site inspections when appropriate; analyze proposed flow criteria, diversion infrastructure, and system-specific operations with respect to current hydrology, operations, and ecosystem conditions; carry out California Endangered Species Act consultation and permitting associated with temporary permits to recharge groundwater; coordinate with various subject matter experts; and develop mitigation measures to protect fish and wildlife resources.

CDFW further contends it is challenging to estimate the bill's impact on the Lake and Streambed Alteration (LSA) program. While this bill exempts certain diversions from the LSA notification process, it nonetheless requires CDFW to consult with entities and develop individualized fish and wildlife resource protections for exempt projects while simultaneously restricting the department's ability to collect fees to pay for staff time and expertise through the notification process. The LSA notification fee ranges from several hundred dollars to several thousand dollars depending on the complexity and cost of the project. This bill would be effective statewide and has the potential to result in a loss of tens of thousands of dollars annually (Fish and Game Preservation Fund).

- 3) Potential ongoing General Fund costs to the Department of Water Resources (DWR). DWR did not have a fiscal estimate available at the time of the writing of this analysis, but the committee notes the department may incur costs related to, among other things, implementation of the Sustainable Groundwater Management Act (SGMA) and other regulatory work.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

#### COMMENTS:

- 1) **Purpose.** According to the author:

[This bill] modernizes California's groundwater recharge policy by improving permitting processes, making it easier to safely capture

flood flows, and maintaining strong safeguards for water right holders. Although California has the infrastructure and ability to divert excess water, operators struggle to recharge beneficial amounts for reasons including cost, time of year, and regulatory hurdles. When California can take advantage of its natural capacity to store groundwater during intense wet intervals, all communities benefit. Adapting our groundwater recharge strategy will help provide stability for California in a time of water extremes.

- 2) **Background.** Groundwater is an important source of supply for California’s communities, economy, and diverse natural resources. Interest in expanding groundwater recharge has increased since the passage of SGMA in 2014 and the importance of recharge has been recognized in numerous state plans and strategies. A water right or permit is required to capture water during high-flow or flood events and store it for later use. A permanent right takes a great deal of time and resources to obtain; as a result, many entities interested in groundwater recharge have pursued a temporary permit instead. Whether pursuing a permanent (a process that can take more than seven years) or temporary permit, stakeholders have expressed frustration with the permitting process for groundwater recharge.

Among others in support, the California Water Association (CWA) contends “existing pathways to recognized recharge have had limited success,” and that this bill makes it easier to capture floodflows safely by expanding opportunities to divert excess water during flood conditions in a way that will protect communities and encourage recharge during high flow periods; modernizes and improves the permitting process to be more cost-effective and flexible through alternative diversion criteria, adding value and certainty to local agencies and farmers investing in recharge; and maintains strong safeguards by expanding opportunities for recharge while protecting downstream water rights, the state and federal projects, environmental flows, and water quality.

Among others in opposition, Defenders of Wildlife (Defenders), writing in an oppose-unless-amended position, argues this bill, rather than “cutting green tape,” creates a new permitting regime that crosscuts water rights, SGMA compliance, and flood management. By creating new requirements for all water rights permits, changing the flood recharge diversion program, and fundamentally changing the content and procedures for four water rights permitting programs, Defenders argues this bill creates significant costs for the State Water Board. Defenders further argues “the potential injury to other water rights holders from implementation of this bill is also challenging to quantify, and there is no discussion of flood liability.” Among other policy objections, Defenders argues this bill “will exacerbate the state of our over-appropriated water system, both surface and groundwater supplies,” noting:

The [State Water Board] has recognized many times over the last decade that the Bay-Delta estuary is in crisis, and further diversions on the Delta tributaries and any additional justification to pump more unsustainable water from the Delta south could exacerbate this decline. This could lead to severe water quality impacts to Delta communities and the ecosystem and furthermore impact the ability of the State Water and Central Valley Projects to pump water south, causing substantial economic harms to urban and agricultural sectors.

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