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THIRD READING

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Bill No: AB 929  
Author: Connolly (D)  
Amended: 6/26/25 in Senate  
Vote: 21

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SENATE NATURAL RES. & WATER COMMITTEE: 4-3, 6/24/25  
AYES: Limón, Allen, Laird, Stern  
NOES: Seyarto, Grove, Hurtado

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 45-16, 5/29/25 - See last page for vote

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**SUBJECT:** Sustainable groundwater management: managed wetlands

**SOURCE:** Author

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**DIGEST:** This bill, until January 1, 2029, prohibits groundwater sustainability agencies from exercising certain authority to regulate groundwater extractions for and impose fees on small community water systems serving disadvantaged communities and managed wetland extractors.

**ANALYSIS:**

Existing law:

- 1) Provides, under the Sustainable Groundwater Management Act (SGMA), that local agencies must sustainably manage groundwater in high- or medium-priority basins by 2040. Defines sustainable management of groundwater as the avoidance of the following six “undesirable results:” (a) chronic lowering of groundwater levels; (b) reduction of groundwater storage; (c) seawater intrusion; (d) degraded water quality; (e) land subsidence; and (f) depletions of interconnected surface water. (Water Code (WAT.) §§10720 et seq.)

- 2) Requires critically overdrafted groundwater basins and high- or medium-priority groundwater basins to be managed under a groundwater sustainability plan (GSP) that are developed and implemented by a groundwater sustainability agency (GSA). (WAT. §10720.7)
- 3) Grants various authorities to GSAs, including the authority to regulate, limit, or suspend pumping from groundwater wells, and to establish groundwater allocations. (WAT. §10726.4)
- 4) Provides that a GSA may impose fees on groundwater extraction to fund the costs of groundwater management. (WAT. §10730.2)

This bill:

- 1) Until January 1, 2029, provides that a GSA's authority to regulate, limit, or suspend extractions from groundwater wells or otherwise establish groundwater extraction allocations does not apply to groundwater allocations from permitted public water supply wells for small community water systems serving disadvantaged communities and does not apply to managed wetland extractors. Prohibits a GSA from imposing a fee on these users as long as their water use does not increase above what was historically required.
  - a) Authorizes a GSA to regulate usage above the amount historically required to support the small community water system or annually flood the managed wetland.
  - b) Authorizes a GSA to develop and implement corrective actions, in cooperation with an affected managed wetland extractor, if the GSA reasonably determines that groundwater extractions for managed wetlands are directly causing undesirable results/
- 2) Require GSPs, until January 1, 2029, to also include specified information related to managed wetlands and small community water systems serving disadvantaged communities.

## **Background**

*SGMA*. Passed in 2014, SGMA provides a comprehensive framework to manage groundwater resources in overdrafted groundwater basins. To comply with SGMA, local agencies in overdrafted basins were required to form a GSA and develop GSPs that will lead to sustainable groundwater management over 20 years.

SGMA defines sustainable groundwater management as the avoidance of “undesirable results,” as specified. SGMA also intends for GSAs to have flexibility to address conditions unique to their particular basin.

*Wetlands in California.* Over 90% of the state's wetlands have been drained, mostly for agricultural purposes, and California now only has about 454,000 acres of nonagricultural wetlands. The remaining wetlands are vulnerable to development, roads, farming practices, hydromodification, pollutants, invasive species, climate change, and a host of other potential stressors. California's wetlands have significant environmental and economic value for humans and wildlife. These benefits include water storage, groundwater recharge, pollution control, nutrient cycling, shoreline protection, maintenance of biodiversity, recreation, education, and carbon sequestration.

*Small community water systems.* Community water systems serve at least 15 service connections used by yearlong residents or regularly serve at least 25 yearlong residents. Eighty-six percent of regulated community water systems in the state are considered “small,” servicing less than 3,300 service connections. There are approximately 2,500 small community water systems in California regulated for drinking water by the State Water Board, serving approximately 8% of the population.

See the Senate Natural Resources and Water Committee analysis for more information.

## Comments

*Author’s statement.* According to the author, “Wetlands are a critical natural resource for our state, and small, rural communities are being hit the hardest by the state’s depleting groundwater resources. These disadvantaged communities usually depend on a single source for their water supply, leaving them vulnerable to drought and affordability challenges. AB 929 brings California closer to protecting safe and clean water accessibility for all California communities and maintaining precious wetland habitat before it permanently disappears.”

**FISCAL EFFECT:** Appropriation: No   Fiscal Com.: Yes   Local: No

**SUPPORT:** (Verified 7/14/25)

Alianza Coachella Valley  
Audubon California  
Cactus To Cloud Institute

California Native Plant Society, Alta Peak Chapter  
California Waterfowl Association  
Clean Water Action  
Cleaneearth4kids.org  
Community Water Center  
Delta Waterfowl  
Eco San Diego  
Environmental Protection Information Center  
Friends of Harbors, Beaches and Parks  
Friends of the Dunes  
Grassland Water District  
Leadership Counsel Action  
Outward Bound Adventures  
Resource Renewal Institute  
Santa Clara Valley Bird Alliance  
Sierra Club California  
The Nature Conservancy  
Tulare Basin Wetlands Association

**OPPOSITION:** (Verified 7/14/25)

Association of California Water Agencies  
California Chamber of Commerce  
California Farm Bureau Federation  
California Groundwater Coalition  
California Municipal Utilities Association  
Mission Springs Water District  
Northern California Water Association  
Stockton East Water District  
Tri-county Water Authority  
Valley Ag Water Coalition  
Western Canal Water District  
Western Growers Association

**ARGUMENTS IN SUPPORT:** According to a coalition letter of several environmental groups, including, among others, Delta Waterfowl, The Nature Conservancy, Sierra Club California, and Resource Renewal Institute, “SGMA requires [GSAs] to consider the interests of environmental users and small drinking water systems in [GSPs]. However, several proposed GSPs did not thoroughly identify managed wetlands and small water systems serving disadvantaged communities, or their water needs, and did not analyze impacts from GSA

management actions on those users. Moreover, several GSPs propose a one-size-fits-all cap on groundwater allocations, which will cut supplies for small community water systems and managed wetlands at the same rate as agricultural users. This approach will deprive some small communities of access to safe and affordable water and will cause some of the state's last wetlands to go dry."

**ARGUMENTS IN OPPOSITION:** According to the California Chamber of Commerce, Western Growers Association, California Farm Bureau, and California Municipal Utilities Association, "the provisions of this bill that would exempt [small community water systems and managed wetlands] from GSA management would place an even greater burden of achieving sustainability onto other groundwater users and undermine the success of SGMA." The groups also argue that the carve out of certain users means that not all water users are regulated by SGMA and that certain water users will be prioritized above others.

The Association of California Water Agencies, also on behalf of other water agencies, further argue that the bill would "undermine the ability of [GSAs] to continue making progress toward achieving groundwater sustainability and is inconsistent with the original agreement that allowed [SGMA] to be passed. ... The carve-outs proposed by AB 929 break that agreement. By exempting this large class of users from SGMA, AB 929 would prohibit GSAs from exercising their statutorily granted authority regarding groundwater extractions."

ASSEMBLY FLOOR: 45-16, 5/29/25

AYES: Addis, Ahrens, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Stefani, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Lackey, Macedo, Patterson, Sanchez, Ta, Wallis

NO VOTE RECORDED: Aguiar-Curry, Alvarez, Bains, Bryan, Chen, Flora, Irwin, Nguyen, Pacheco, Ramos, Ransom, Michelle Rodriguez, Blanca Rubio, Solache, Soria, Tangipa, Valencia, Ward

Prepared by: Genevieve Wong / N.R. & W. / (916) 651-4116  
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