

Date of Hearing: June 23, 2026

ASSEMBLY COMMITTEE ON JUDICIARY  
Ash Kalra, Chair  
SB 997 (Caballero) – As Amended April 30, 2026

**SENATE VOTE:** 38-0

**SUBJECT:** NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY: LIEN AUTHORITY

**SYNOPSIS**

*Established in 2014, Sustainable Groundwater Management Act represented California’s first comprehensive attempt at managing groundwater within the state. The Act tasked local agencies, known as Groundwater Sustainability Agencies, with overseeing the development, implementation, and enforcement of Groundwater Sustainability Plans. Under the Sustainable Groundwater Management Act, Groundwater Sustainability Agencies are formed either by several local agencies coming together as a Joint Powers Authority to exercise the general authority granted under the Act or as a specially created entity in state statute. Those agencies created by statute would be provided the opportunity to have additional powers conveyed by law so long as the agency’s authorizing statute conferred the powers. The North Fork Kings Groundwater Sustainability Agency is one of the statutorily created Groundwater Sustainability Agencies. As the North Fork Kings Groundwater Sustainability Agency moves to enforce its Groundwater Sustainability Plan, the Agency now notes that its authorizing statute did not confer many of the enforcement tools provided in the Sustainable Groundwater Management Act overall.*

*This bill would provide critical enforcement tools to the North Fork Kings Groundwater Sustainability Agency. Specifically, this bill would authorize the Agency to seek civil penalties against water users who pump more groundwater than permitted by the Groundwater Sustainability Plan. The civil enforcement authority is modeled after the general grant of authority found in the Sustainable Groundwater Management Act. Additionally, mirroring the authority provided to water agencies of all types across the state, this bill would provide that the North Fork Kings Groundwater Sustainability Agency may impose a lien on a property owner who fails to pay their water bill in a timely manner.*

*This non-controversial measure is sponsored by the North Fork Kings Groundwater Sustainability Agency and is supported by several local conversation districts and agricultural water users. The proponents of the bill note that the authority this bill confers to the North Fork Kings Groundwater Sustainability Agency is critical for the Agency to be able to carry out its mission and properly enforce the region’s Groundwater Sustainability Plan. This bill has no known opposition and was previously heard and approved by the Committee on Water, Parks, and Wildlife by a vote of 11 to zero.*

**SUMMARY:** Authorizes the North Fork Kings Groundwater Sustainability Agency to impose specified liens and seek civil penalties. Specifically, **this bill:**

- 1) Authorizes the North Fork Kings Groundwater Sustainability Agency to seek civil penalties from any person who extracts groundwater in excess of the amount that person is authorized to extract under a rule, regulation, ordinance, or resolution adopted by the agency.
- 2) Provides that in the event that any charges for water and other services imposed by the North Fork Kings Groundwater Sustainability Agency remain unpaid, the amount of unpaid charges may, in the discretion of the agency, be secured at any time by filing for record in the office of the county recorder of any county a certificate specifying the amount of the charges and the name and address of the person liable therefor.
- 3) Provides that from the time of the recordation of the certificate specified in 2) the amount required to be paid together with any interest and penalties constitutes a lien upon all real property in the county owned by the person or afterwards, and before the lien expired, acquired by that person.
- 4) Provides that a lien imposed pursuant to 3) has the force, priority, and effect of a judgment lien and is to continue for 10 years from the date of the filing of the certificate unless sooner released or otherwise discharged, as specified.

**EXISTING LAW:**

- 1) Establishes the Sustainable Groundwater Management Act to provide for enhanced local management of groundwater resources and to provide for the sustainable management of California's groundwater resources. (Water Code Section 10720 *et seq.*)
- 2) Authorizes, in accordance with the Sustainable Groundwater Management Act, any local agency or combination of local agencies to establish a Groundwater Sustainability Agency. (Water Code Section 10723.)
- 3) Requires a Groundwater Sustainability Agency to consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans, which must include but not be limited to evaluating the following interests:
  - a) Holders of overlying groundwater rights;
  - b) Municipal well operators;
  - c) Public water systems;
  - d) Local land use planning agencies;
  - e) Environmental users of groundwater;
  - f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies;
  - g) The federal government, including, but not limited to, the military and managers of federal lands;
  - h) California Native American tribes;

- i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems; and
  - j) Specified for monitoring and reporting groundwater elevations in all or a part of a basin or subbasin. (Water Code Section 10723.2.)
- 4) Authorizes the formation of a Groundwater Sustainability Agency as a Joint Powers Authority. (Water Code Section 10723.6.)
- 5) Provides that a person who pumps more groundwater than permitted pursuant to a rule, regulation, ordinance, or resolution adopted by a Groundwater Sustainability Agency is to be subject to a civil penalty not to exceed \$500 per acre-foot pumped in excess of the amount that person is authorized to pump. (Water Code Section 10732 (a)(1).)
- 6) Authorizes a Groundwater Sustainability Agency to seek civil penalties for a violation of a rule, regulation, ordinance, or resolution adopted by the Agency after providing notice and an opportunity for hearing. (Water Code Section 10732 (b)(2).)
- 7) Establishes the North Fork Groundwater Sustainability Agency to manage portions of the groundwater in Fresno County and the Kings Basin. (Water Code Section 10723.)
- 8) Authorizes specified water agencies to impose liens on properties for unpaid charges. (Water Code Sections 25806, 31701.5, 36729, 55501.5, and 71637.)

**FISCAL EFFECT:** As currently in print this bill is keyed non-fiscal.

**COMMENTS:** Recognizing the need to establish a non-judicial process for managing overdrawn groundwater basins, in 2014 the Legislature adopted a series of bills that collectively established the Sustainable Groundwater Management Act. (AB 1739 (Dickinson) Chap. 347, Stats. 2014, SB 1168 (Pavley) Chap. 346, Stats. 2014, and SB 1319 (Pavley) Chap. 348, Stats. 2014.) In accordance with the Sustainable Groundwater Management Act (SGMA), local groundwater sustainability agencies (GSA) must adopt groundwater sustainability plans (GSP), that among other topics must establish a sustainable yield for the basin.

While GSAs can be established at the local level, usually through the formation of a joint powers authority (JPA), other GSAs are creations of statute. The North Fork Kings GSA was formed by statute in 2016 to serve as the exclusive local agency regulating groundwater within its boundaries. (SB 564 (Cannella) Chap. 392, Stats. 2016.) The North Fork Kings GSA's authorizing legislation vested the GSA's board with the power of regulating, conserving, managing, and controlling the use and extraction of groundwater within the agency's territory and the authority to impose fees to fund the cost of implementing its groundwater sustainability plan. However, the author and sponsors of this bill note the GSA has few tools to enforce its authority. This bill would authorize the North Fork Kings GSA to impose civil penalties on persons found to be over drafting groundwater and impose liens on property owners who do not pay GSA authorized charges. In support of the bill the author states:

The Sustainable Groundwater Management Act (SGMA) sets forth a rigorous framework for reaching and maintaining groundwater sustainability in California. Groundwater Sustainability Agencies (GSAs) formed under SGMA are charged with implementing groundwater sustainability plans (GSPs) to avoid groundwater overdraft and state

intervention. SGMA authorized GSAs to be formed through either joint powers agreements (JPAs) or through special statutes. All GSAs formed in accordance with SGMA have a minimum enforcement authority provided by the SGMA statute which includes imposing penalties and bringing civil lawsuits.

GSAs created through a JPA have additional enforcement authority inherent to all JPAs, which includes lien authority for uncollected fees. GSAs formed under special statute, such as North Fork Kings Groundwater Sustainability Agency (NFKGSA) are limited to the minimal enforcement powers under SGMA, which does not explicitly grant the authority to impose liens to collect unpaid fees like other GSAs formed through a JPA. SB 997 is a straightforward district bill that aligns NFKGSA's enforcement authority with that of the majority of GSAs statewide to ensure the effective implementation of its groundwater sustainability program under SGMA.

***What is groundwater?*** By the time it reaches Californians' taps, water is indistinguishable regardless of its source. However, under California law there are three distinct "types" or categories of water: surface water (including water from streams, rivers and lakes); percolating groundwater (water found in subterranean basins); and subterranean streams (flowing through recognizable channels). Legally, surface water and subterranean flows are largely treated alike, and both are subject to oversight and permitting from the State Water Resources Control Board. Groundwater, however, is governed by a distinct set of statutes and case law that can trace its roots back to English Common Law. Due in large part to the fact that groundwater regularly makes up at least 40 percent of the state's annual water supply, it is unsurprising that groundwater has been the subject of over a century of contentious disputes that have shaped modern groundwater law.

The right to utilize groundwater is classified into three categories: overlying rights, appropriative rights, and prescriptive rights. As it relates to overlying rights California has, to a degree, adopted the English Common Law notion that whoever owns the soil owns the depths, however, as early as 1903, California courts recognized that this state's climate does not lend itself to a pure application of the common law. (*Katz v. Walkinshaw* (1903) 141 Cal. 116.) The *Katz* court recognized scarcity is a critical element of California water law and that when a groundwater basin cannot support the needs of all water users, each user is entitled to a "fair and just" proportion of the water supply. (*Id.* at 134.) Appropriative rights apply to surplus groundwater drawn from a basin but not utilized on the overlying land. In this scenario, the court provides that "first in time first in right" approach applies to determining water rights. (*City of Barstow v. Mojave Water Agency* (2000) 23 Cal.4th 1224, 1241.) Finally, prescriptive rights are established by showing an adverse use against prior rights holders. These rights are most commonly held by municipal water agencies who pump groundwater for use outside the overlying basin. Because many of the groundwater basins utilized by municipal pumpers are overdrawn, and thus by definition no surplus water exists, the municipalities rights are considered "adverse" to other rights holders. (See, *City of Santa Maria v. Adam* (2012) 211 Cal.App.4th 266, 299-300.)

***The Sustainable Groundwater Management Act ensures that groundwater is used sustainably and seeks to minimize future groundwater basin adjudications.*** For much of California's history, unlike surface water, groundwater went largely unregulated. Until 2014, the only way for water users to manage an over drafted water basin was to seek a costly and time-consuming adjudication of water rights in court. (see, e.g. *Pasadena v. Alhambra* (1949) 33 Cal.2d 908.)

Recognizing that groundwater adjudications are inefficient and do not necessarily produce comprehensive strategies for protecting water and the environment, in 2014, the Legislature adopted the SGMA to provide statewide standards for groundwater management. SGMA envisions that local groundwater management agencies would develop the GSP to manage the basin. The law provided that local agencies could combine into a JPA to develop a GSP or the local area could seek a legislatively created GSA. The existing law provides general powers and authority for the JPAs, however, each statutorily created GSA is bound by the limits of its authorizing statute.

Regardless of how a GSA is formed, SGMA guides local agencies to avoid six “undesirable results” associated with poor groundwater management: chronic lowering of groundwater levels; significant and unreasonable reductions in groundwater storage; significant and unreasonable seawater intrusion; significant and unreasonable groundwater quality degradation; significant and unreasonable land subsidence; and depletions of interconnected surface water. (Water Code Section 10721 (d).) To avoid these outcomes, SGMA provides that a GSA has the power to adopt rules, regulations and ordinances to carry out the GSP. The plan itself must be developed in a manner that considers the interests of all beneficial water users in a basin. (Water Code Section 10723.2.)

***This bill provides the North Fork Kern GSA several critical tools that most GSAs possess but were left out of North Form Kern’s original authorizing statutes.*** The existing provisions of SGMA provide general authorities and powers to GSAs formed as JPAs. These include the right to impose civil penalties against groundwater users within a basin that draft more water than permitted under the GSP and impose liens against parties that do not pay specified costs to the GSA. However, these powers were not provided to the North Fork Kern GSA when it was created by statute in 2016.

Accordingly, this bill would authorize the North Fork Kern GSA to impose civil penalties against water users who violate the GSP. The bill links the civil penalty authority to the existing \$500 per acre foot penalty level provided generally in SGMA. These penalties, generally, must be sought in court. Additionally, this bill would permit the North Fork Kern GSA to impose a lien on property owners who do not pay for water and other services provided by the GSA in a timely manner. This lien authority mirrors many of the provisions of the Water Code permitting a variety of water providers, including urban water systems, to impose liens on customers who do not pay their water bills.

***ARGUMENTS IN SUPPORT:*** This bill is sponsored by the North Fork Kings Groundwater Sustainability Agency. In support of the measure they write:

SB 997 aligns NFKGSA’s authority with that of other GSAs formed as JPAs statewide to strengthen the agency’s enforcement and fee collection capability and supports the fair and effective implementation of our groundwater sustainability efforts now and into the future. Governor Brown signed the SGMA implementation bills, understanding that these difficult sustainability decisions were best made at the local level. NFKGSA has undertaken a tremendous public outreach and planning process in our high-priority basin in order to identify local programs to best meet our sustainability requirements. We are proud of the work we have done to date and see this bill as an additional tool needed in order for us to build on our work locally.

SB 997 (Caballero) is a critical tool that will assist NFKGSA in meeting its requirements in its Groundwater Sustainability Plan.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

North Fork Kings Groundwater Sustainability Agency (sponsor)

American Pistachio Growers

California Farm Bureau Federation

California State Association of Counties

Kings River Conservation District

Kings River Water Association

Rural County Representatives of California

Valley Ag Water Coalition

**Opposition**

None on file

**Analysis Prepared by:** Nicholas Liedtke / JUD. / (916) 319-2334