

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 07/23)

Fiscal Year 2025-26	Business Unit Number 3940	Department State Water Resources Control Board
Hyperion Budget Request Name 3940-025-BCP-2025-GB		Relevant Program or Subprogram 3570 – Water Rights Fund

Budget Request Title
 Implementation of the Sustainable Groundwater Management Act

Budget Request Summary

The State Water Resources Control Board (State Water Board or Board) requests a loan of \$16.4 million from the Underground Storage Tank Cleanup Fund to the Water Rights Fund to support 22.0 existing positions and continue critical implementation tasks in the State Water Board's Sustainable Groundwater Management Act (SGMA) program.

Requires Legislation (submit required legislation with the BCP) <input type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language <input checked="" type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, the departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. Project Approval Document:

Approval Date: Total Project Cost:

If a proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Renée Milano	Date 1/10/2025	Reviewed By Ryan Wilson	Date 1/10/2025
Department Director Eric Oppenheimer	Date 1/10/2025	Agency Secretary John Russell	Date 1/10/2025

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

Principal Program Budget Analyst Andrew Hull	Date submitted to the Legislature 1/10/2025
--	---

A. Problem Statement

The Sustainable Groundwater Management Act (SGMA) was enacted in 2014. The State Water Resources Control Board (State Water Board or Board) plays an integral role in SGMA by managing groundwater basins if local actions to meet SGMA requirements are determined by the Department of Water Resources (DWR) to be inadequate, and the basin is referred to the Board for state intervention.

State intervention in groundwater management in a basin has two main phases. Where and when warranted, the first phase of state intervention, "probation," starts with relatively passive management: the State Water Board will collect data on groundwater extraction and associated fees from extractors.

If local efforts in a probationary basin remain inadequate, state intervention may progress to active management, potentially including direct regulation of parties' extraction. If groundwater sustainability agencies (GSAs) in a probationary basin do not resolve groundwater sustainability plan (GSP) deficiencies within a year, the State Water Board may develop an "interim plan" for the basin and hold a hearing to adopt the interim plan. An interim plan will reflect data collected during the initial probationary period. Interim plan implementation will likely include monitoring groundwater conditions and limiting extractions, as needed, to correct overdraft in the basin.

SGMA requires the Board to recover the costs of state intervention through fees; collection of fees has so far been extremely limited due to the implementation timelines of SGMA. Fee revenues will depend on many factors, including the number of basins subject to state intervention at any time, how long each basin remains in state intervention, how many wells are used in the basins, which wells are subject to extraction reporting (and therefore fee payment), how much water is extracted (some charges are volumetric), and the phase of state intervention (i.e., probation or subject to an interim plan).

The State Water Board has 40.0 positions dedicated to SGMA. Due to the nature of the Board's SGMA fee authorities, the State Water Board's resources have grown gradually, largely with one-time funding, and have relied on the General Fund, rather than fee revenues. Budget change proposals for SGMA were approved in 2014-15, 2017-18, 2021-22, 2022-23, and 2023-24. Of the 40.0 positions allocated to the State Water Board, 22.0 lack permanent funding. 3.0 positions funded through a 2021-22 budget change proposal became unfunded after 2023-24, while 19.0 positions funded in 2023-24 become unfunded in 2025-26.

In March 2023, DWR determined six basins have inadequate GSPs. This triggered the State Water Board authority for those basins. Importantly, the Tulare Lake Subbasin was designated probationary in April 2024 and the Tule Subbasin was designated probationary in September 2024. Extraction reports were originally required to be submitted by December 1, 2024, in the Tulare Lake Subbasin but litigants challenging the probationary designation and its requirements obtained a preliminary injunction from the Kings County Superior Court that suspends all State Water Board action stemming from the probationary designation, including the collection of extraction reports and fees. The Board has appealed and is seeking a stay of the preliminary injunction. Extraction reporting is not yet due in the Tule Subbasin.

The effect of these various timelines and the complexity of fee applicability is that the State Water Board may not receive SGMA fees for two years or more after the state intervention workload begins; the State Water Board would not be able to fund its program and 22.0 existing positions through a mix of General Fund and extraction reporting fees until mid-2026 or 2027. Furthermore, because SGMA operates at the scale of groundwater basins and a basin's status can change at any time, the State Water Board's workload and fee revenues are variable and subject to fluctuations.

To mitigate fee uncertainty and fund the 22.0 existing positions until sufficient fee revenue is collected, the Board requests a loan of \$16,416,000 from the Underground Storage Tank Cleanup Fund to the Water Rights Fund, enough to cover the cost of the 22.0 positions for up to three years.

The loan shall be repaid with future SGMA fee revenues, if feasible; alternatively, if fee funding is not legally able to be collected as anticipated, this loan shall be repaid from the General Fund.

Resource History
(Dollars in thousands)

Program Budget	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Authorized Expenditures	\$2,601	\$2,601	\$3,255	\$4,127	\$8,927	\$8,273
Actual Expenditures	\$1,851	\$1,851	\$2,503	\$3,929	\$8,927	\$8,273
Revenues	N/A	N/A	N/A	N/A	N/A	N/A
Authorized Positions	14.0	14.0	14.0	21.0	40.0	40.0
Filled Positions	10.0	10.0	13.0	18.0	32.0	35.0
Vacancies	4.0	4.0	1.0	3.0	8.0	5.0

Workload History

Workload Measure	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Groundwater sustainability plans reviewed, in whole or in part (projected for 2024-25)	4	18	10	3	12	26
Comment letters from Board staff to DWR (projected for 2024-25)	0	5	8	3	1	0
Progress assessments and recommendations to the Board for probationary determinations (projected for 2024-25)	0	0	0	0	3	5
Public workshops regarding state intervention in specific basins (projected for 2024-25)	0	0	0	0	6	6
Required technical analyses referred to the Board by courts or the Board's Administrative Hearings Office	0	0	1	1	1	1
Basins with unmanaged areas	1	1	0	1	1	1

B. Justification

SGMA operates at the scale of groundwater basins. Since the passage of SGMA people formed new local public agencies, called groundwater sustainability agencies (GSAs), and developed groundwater sustainability plans (GSPs or plans) to manage groundwater basins. GSAs are currently working to improve and implement their plans. GSAs have taken a range of planning approaches. State oversight of GSA efforts and of groundwater conditions has been led by DWR, which, in 2020, began to assess if plans were complete and adequate.

The process of state intervention is detailed in SGMA. Basins may move among different stages of SGMA implementation and compliance over time. Basin statuses lead to different workloads for

the State Water Board and different levels of groundwater extraction reporting fee revenues, as summarized in the table below.

Basin Statuses and Implications for Workloads and Revenues

Basin status	State Water Board Workload	Groundwater extraction reporting fee revenues
In compliance with SGMA	Consult with DWR and support GSAs	None allowed
Referred to the Board by DWR, but not currently on probation	Make detailed technical evaluation of whether the basin should be placed on probation	None allowed
Designated probationary by the Board: Subject to phase one of state intervention – reporting and fees	Roll out a reporting program, analyze groundwater extraction reports and basin conditions, and evaluate if the basin has corrected deficiencies or if an interim plan is warranted	Collected annually from extractors in basins, with a lag, based on extractions
Subject to an interim plan adopted by the State Water Board: phase two of State Water Board intervention -- groundwater management	Track progress of interim plan implementation and work with GSAs to come into compliance so state intervention can end	Collected annually from extractors in basins, with a lag, based on extractions

The State Water Board is required by law to recover its programmatic costs for state intervention. Recoverable programmatic costs include conducting the activities described above and below, as well as other costs incurred in connection with investigations, facilitation, monitoring, hearings, enforcement, litigation, and administration. To be able to recover its programmatic costs, the State Water Board adopted fees associated with extraction reporting required in basins subject to state intervention (Cal. Code Regs., tit. 23, § 1040 et seq.). The State Water Board may adjust the fee schedule through an emergency rulemaking process. The current fee schedule is shown below.

Groundwater Extraction Fee Schedule

Fee Schedule Fee Category	Fee Amount	Parties Fee Applies To
Base filing fee	\$300 per well	All extractors required to report
Unmanaged area rate if extraction is metered ^a	\$10 per acre-foot extracted	Extractors in unmanaged areas
Unmanaged area rate if extraction is unmetered	\$25 per acre-foot extracted	Extractors in unmanaged areas
Rate for basins in probation	\$20 per acre-foot extracted	Extractors in probationary basins
Rate for basins subject to an interim plan	\$55 per acre-foot extracted	Extractors in probationary basins where the State Water Board determines an interim plan is required
De minimis fee	\$100 per well	Parties that extract, for domestic purposes, two acre-feet or less per year from a probationary basin, if the State Water Board decides the extractions will likely be significant
Late fee	25% of the total fee amount per month late	Extractors that do not file annual extraction reports by the due date

^a Basins may have areas outside of the jurisdiction of any of the GSAs for the basin. Groundwater extractors in these "unmanaged areas" must report their extractions to the Board and pay associated fees (Wat. Code §10724, subd. (b)). Currently, the only known unmanaged areas in the state subject to reporting are a small number of parcels in the Upper San Luis Rey subbasin in San Diego County.

Fees apply to extractors that are required to submit extraction reports to the State Water Board. The Board issues an invoice based on the volume of water identified in the extraction report. The default frequency given by the statute for submittal of these reports, and therefore the collection of fees, is on an annual basis. The default deadline in the statute for submittal of extraction reports is February 1 of each year, for extractions that occurred in the prior water year, which spans October 1 to September 30. This reporting period and the deadline can be modified by the Board when it designates a basin as probationary. Reporting requirements become applicable to extractors in a probationary basin 90 days after the probationary designation.

In March 2023, DWR determined six basins have inadequate GSPs. This triggered the State Water Board authority for those basins. There may be over 29,000 groundwater wells in these six basins, based on well completion reports in DWR databases. The table below provides the names of the six basins, their probationary hearing dates, possible extraction reporting deadlines, and when fees could be collected.

Timelines for Basins with Inadequate GSPs

Basin Name	Probationary Hearing	Reporting Deadline	Fee Collection
Tulare Lake	April 2024	December 2024 ^b	April 2025 ^b
Tule	September 2024	February 2026	April 2026
Kaweah	January 2025 (cancelled November 2024) ^c	NA	NA
Kern County	February 2025	December 2025	April 2026
Delta-Mendota	TBD – Q2 2025	TBD	TBD
Chowchilla	TBD – Q2 2025	TBD	TBD

^b A preliminary injunction issued in ongoing litigation challenging the probationary designation suspended the reporting requirements.

^c The Kaweah GSAs submitted revised GSPs in October 2024 that appear to address all plan deficiencies identified by Board staff. Staff are now conducting an in-depth review of the GSPs, and the Board intends to return the basin to DWR oversight if staff determine, after a full review of the GSPs, that all deficiencies are resolved.

The State Water Board held two probationary hearings, adopted probationary determinations for both basins, and has one additional hearing scheduled at this time. Even more basins may come into the State Water Board's jurisdiction; additional basins may be referred in early 2025 if any of the 13 basins where DWR identified plan deficiencies in January 2024 fail to sufficiently improve their plans. Basins continue to face significant coordination issues and GSA proposals for addressing plan issues have not been adequate in many cases.

Litigation has delayed fee collection to Spring 2026, at the earliest, and fees collected in Spring 2026 may not be sufficient to cover the costs of the 22.0 unfunded positions. The Board's SGMA program must be sufficiently resourced to meet the Board's role and responsibilities under the Act. Prior to the last fiscal year, the SGMA program's work focused on providing resources to GSAs and interested parties (for example, the SGMA Water Quality Visualization Tool), building capacity for state intervention (including the development of an extraction reporting system), using State Water Board-specific expertise to support DWR's review of GSPs (for example, analyzing the impact of GSP goals on drinking water well users), coordinating with other agencies and programs, and providing technical expertise for litigation. Last fiscal year, the SGMA program's work expanded to include: scheduling probationary hearings for basins with inadequate GSPs, drafting technically complicated staff reports detailing GSP deficiencies and corrective actions GSAs could take to address them, holding multiple in-person and virtual public workshops to explain state intervention and learn more about local concerns and efforts, gathering and integrating comments by GSAs and interested persons regarding draft staff recommendations, and beginning to engage thousands of groundwater pumpers in the Tulare Lake subbasin on the new reporting and fee obligations. As described below, the tasks that now fall to the State Water Board are even more complex.

SGMA implementation effort projections reflect analysis of the six specific basins that DWR referred to by the State Water Board. The task list below is focused on the work that has started since approval of the 2023-24 BCP and covers assessment of potential probation designations and implementation. Not listed are the possible enforcement of reporting requirements; use of investigation orders; development of full interim plans; and implementation of interim plans. The State Water Board will adjust workloads and re-assess resource needs as basins shift between different state intervention phases (preparation for a probationary hearing, probation, preparation for an interim plan, and interim plan implementation), as DWR makes assessments of the adequacy of ongoing efforts in basins not currently subject to state intervention, and as workloads associated with ensuring groundwater adjudications are consistent with SGMA, and related legal requirements, also reach the SGMA Program.

1. Assess basins for possible probation and document plan deficiencies

(A) Consult with DWR on basin inadequacy.

(B) Advise senior leadership regarding probation. Given the scope of state intervention, extensive coordination and careful planning are needed. This includes attorneys addressing legal issues that may be raised and advising leadership on investigations, hearings, and inspections.

(C) Upon request, consider if certain parties are “subject to a local plan or program that adequately manages groundwater.” Staff will assess well-justified requests for exemptions from reporting and fees from extractors or groups (such as municipal water systems or irrigation districts).

(D) Upon request, consider, in close coordination with DWR, if specific GSAs meet State Water Board determinations of compliance with sustainability goals. Staff will assess well-justified requests for exemptions from probationary designations.

(E) Specify deficiencies. The State Water Board must identify with specificity the deficiencies GSAs must resolve. The deficiencies documented by DWR will be used in State Water Board decision-making, but GSA implementation evolves and changes. To the degree practical, probationary consideration of identified deficiencies reflects plan revisions and updated groundwater management program and project implementation steps since GSAs submitted information to DWR.

(F) Identify specific actions GSAs could take to remedy deficiencies. The State Water Board must identify potential actions GSAs could take to address the identified deficiencies. This could involve synthesizing or adapting approaches that GSAs with approved GSPs took for a given issue.

2. Prepare for and hold probationary hearings

(A) Notice the hearing. Interested parties and all known groundwater extractors must be notified of the probationary hearing. This is a very labor-intensive effort that includes acquiring and analyzing extraction data from GSAs and other associated local agencies and mailing notices to potentially tens of thousands of people.

(B) Develop and maintain a public web page for each basin. Web postings include all final documents relevant to the probationary hearing for each basin, as well as links to relevant information, and information on how to provide public comment.

(C) Conduct public workshops. Staff conduct virtual and in-person local workshops to educate the public and solicit feedback regarding probationary hearings.

(D) Solicit and analyze public comments. The State Water Board considers all public comments, which may be extensive. Staff must organize, categorize, and evaluate comments, many of which are highly technical and basin specific.

(E) Hold the hearing at which Board Members consider probation.

(F) Consider extraction reporting. In designating a basin probationary, the State Water Board will need to consider exempting certain classes of extractors from reporting their extractions, whether de minimis users should have to report, whether additional information should be collected, whether groundwater meters or certain methods should be required to report extractions, and if the default reporting schedule should be changed. Staff proposals for Board Member consideration will require analyses of how water use and socioeconomic vulnerability vary across a basin.

3. Administer extraction reporting program

Staff will issue notices of extraction reporting requirements and fees and respond to extractor questions. After a basin is designated probationary, potentially tens of thousands of groundwater extractors with different levels of familiarity with SGMA and different levels of

technical skill must begin measuring and reporting their extractions, filing annual extraction reports using the State Water Board's groundwater extraction and reporting system, and paying associated fees. Many people will be unable to report unless they get technical support from the State Water Board by phone or email. Since the Tulare Lake Subbasin was designated probationary on April 16, 2024, the program received more than 360 phone calls and emails, almost entirely regarding groundwater extraction reporting requirements in that basin. During that same period in 2023, the program received only 28 calls and emails. If the extractors do not get prompt support, it will require more time and resources for the State Water Board to collect information and report fees.

Workload associated with assisting people and ensuring compliance may be substantial, based on the State Water Board's experience with water rights reporting and drought response activities.

4. Assess GSP updates, assess petitions to exit probationary status, and refine management

The State Water Board must assess whether GSP updates adequately resolve deficiencies and whether GPS are being adequately implemented. The State Water Board also has to track trends in groundwater levels and compare them to milestones in GSPs. This analysis will be time-consuming because these milestones are sometimes poorly defined. Staff will also develop possible approaches for groundwater management.

5. Other tasks

(A) Engage with interested parties to meet SGMA goals and resolve conflicts using strategies to advance equity and trust building, provide information. Given the complexities of various perspectives and needs, strategies for conflict resolution and trust building will be required. Probationary hearings necessitate significant levels of engagement. Often, staff must engage with smaller groups of beneficial users that were not always adequately consulted in the submitted GSPs, including impacted groups, communities, and California Native American tribes. There will be a need to continue to develop public education approaches to help interested parties understand SGMA, state intervention, and why their involvement may be critical. Engagement will include general communications (e.g., postcards, emails, phone calls) covering how people can get involved in the process, focused meetings centered on GSP deficiencies, and broad, in-person or online stakeholder meetings. This will include translation and interpretation where appropriate. Staff will also develop public-facing education materials, including web content, guides, fact sheets, and other materials. Staff will manage public meeting logistics, including coordinating venues and audio-visual services. Staff will present details of SGMA at workshops, GSA meetings, and other public venues. Staff will respond to general questions from stakeholders.

(B) Provide general SGMA implementation assistance. Staff will develop tools to estimate the impacts of GSPs, including the benefits of management actions on beneficial users and uses. Examples of existing tools include partnerships with DWR to develop the Dry Domestic Well Susceptibility Tool and the SGMA Water Quality Visualization Tool. Staff will maintain a SGMA basin status web map and other informative online map applications. Additionally, staff will develop and lead pilot projects to support SGMA implementation, such as those to evaluate groundwater recharge sites and develop water use evaluation methods, such as OpenET (remote sensing of plant evapotranspiration to estimate water use), and other satellite-based remote sensing tools.

(C) Manage contracts. SGMA Program staff oversee the program's technical hydrogeologic services and facilitation contractors. To help ensure program success, the State Water Board needs to be able to offer facilitation services as part of efforts led by the State Water Board that may focus on several aspects of water management (such as conflict resolution, coordination, governance, or technical aspects). Engineering service providers will provide technical assistance to the SGMA Program and may install monitoring wells or sample and assess groundwater quality. Staff tasks include reviewing and approving work scopes,

reviewing deliverables for completeness, reviewing monthly invoices, and ensuring work meets program needs.

(D) Media. Staff will inform and educate the public about the state's objectives and activities as the State Water Board assumes its primary state intervention role under SGMA. Staff will deploy strategic communications planning, effective media management, and constant media monitoring and analysis to promote state objectives, address misinformation, and advise about public relations implications of potential actions. State intervention draws significant media interest and requires the expertise of a full-time media specialist. The State Water Board has already fielded media inquiries and identified misinformation about the State Water Board's preliminary actions.

(E) Maintain online system for groundwater extraction reporting. Staff will maintain and enhance the online platform that all groundwater extractors subject to the State Water Board's SGMA reporting requirements must use. This includes working to ensure that the online system continually meets statutory requirements and program needs.

(F) Ensure State Water Board's actions meet the intent and requirements of SGMA. There is significant legal work related to probationary status determinations. In addition, the development and adoption of interim plans would involve helping to organize and assemble the record for the decision, preparing and reviewing documents, providing legal analysis, and staffing hearings. Since probationary status impacts individuals and businesses in addition to GSAs, there are hundreds of potential parties and the likelihood of litigation. Counsel must prepare referrals to the Office of the Attorney General, consult on legal strategy and facts, draft legal memos, help prepare the litigation record, and review briefs and other filings. In addition, legal assistance may be required in litigation where the State Water Board is not a party, including adjudications or other water right litigation where the state has a compelling interest, or a court is statutorily entitled to reference any or all issues to the State Water Board for an investigation and report upon the law and facts. This work could potentially be conducted by the SGMA Program's legal staff or by the State Water Board's Office of Administrative Hearings, with assistance from SGMA Program legal staff.

(G) Provide technical assistance when required by courts handling water right adjudications or similar efforts initiated by GSAs or groundwater extractors subject to SGMA. State law provides a mechanism for courts to refer water right questions to the State Water Board for determinations. Chapter 665, Statutes of 2023 (Assembly Bill 779, Wilson), added language to the Code of Civil Procedure making explicit the option to refer groundwater adjudication matters to the State Water Board for investigation and reporting. This required assistance could be a significant workload, given broad interest in adjudications as judicial proceedings that can provide GSAs and other parties with certainty regarding the scope and priority of water rights in basins.

Tasks currently require 40.0 positions, but only 18.0 positions have funding. The State Water Board should have the resources to act deliberately and with an appropriate sense of urgency. The summary below presents the total PY need of the program and the number of PY that require funding.

Task Distribution for Positions Requiring Funding

Summary Task	Total positions needed for tasks above for six basins
1. Assess basins for possible probation and document plan deficiencies	7.25
2. Prepare for probationary hearings	7.25
3. Administer extraction reporting program	12.25
4. Assess GSP updates, assess petitions to exit probationary status, and refine management approaches	3.0
5. Other tasks	10.25
Total current positions to meet tasks:	40.0
Positions with funding after FY 2024-25:	18.0
Positions requiring funding to meet tasks:	22.0

Adverse impacts to SGMA implementation if proposal is not approved. If this proposal is not approved, the State Water Board's progress towards holding probationary hearings and meeting statutory requirements after basins are declared probationary would slow; the State Water Board would be unable to meet the current hearing schedule and would face significant difficulties in remedying local management deficiencies and returning groundwater management to local control. Delays could mean that water levels would continue to decline, more wells would go dry, and infrastructure and ecosystems would face further damage. Full implementation of SGMA is among the most important measures California can take to adapt to a changing climate and ensure long-term water resilience and the Board's SGMA program must be sufficiently resourced to meet the Board's role and responsibilities under the act.

C. Departmentwide and Statewide Considerations

Sustainable groundwater management is critical for the goals of the Water Supply Strategy and the California Water Resilience Portfolio, for the success of the State Water Board's Safe and Affordable Funding for Equity and Resilience Drinking Water Program (Chapter 120, Statutes of 2019, Senate Bill 200), for the success of the human right to water law (Chapter 524, Statutes of 2012, Assembly Bill 685), and for the protection of certain threatened and endangered species and species of special concern. Staff and leadership of the State Water Board and DWR coordinate closely on SGMA. Staff also coordinate with the Department of Fish and Wildlife, the Department of Food and Agriculture, counties, GSAs, and others.

On a case-by-case basis, as appropriate for each basin, the State Water Board will have to carry out many tasks marked by:

- **Urgency and risks of irreversible harms from insufficient management.** Certain undesirable results, such as subsidence, reductions in water tables that prevent public water systems from being able to meet the needs of vulnerable communities or individual households from being able to drink, cook or bathe, or reductions in surface waters on which endangered fish species depend, may be difficult or impossible to mitigate.
- **Technical complexity.** This includes the need for adaptive management, extensive uncertainty, decadal time horizons, and impacts of extractions, recharge, and groundwater management within basins and GSA jurisdictions. Staff must have mastery of the contents of GSPs, which can be numerous, and are extensive and detailed, along with other supporting materials.
- **Controversy.** Groundwater extraction and regulation affect many parties and a range of state interests, including the human right to water and public trust obligations.
- **Large numbers of diverse interested parties and interests.** Parties affected by SGMA implementation may include: groundwater extractors (including drinking water systems, irrigators, domestic well owners, commercial and industrial groundwater users, and some

wildlife preserves); GSAs that failed to coordinate sufficiently to this point, cities and counties; parties in the economies in the affected basins, which are highly connected to irrigated agriculture; parties affected by groundwater management or mismanagement (including other GSAs, users of public trust resources, such as groundwater-dependent streams and ecosystems, parties affected by subsidence, and parties who could be affected by land use changes associated with SGMA, including land following); and parties affected by GSAs' projects and management actions (including parties in areas with surface water that could be used for expanded groundwater recharge).

- **Opportunities for positive outcomes.** The State Water Board will dedicate significant resources to build a common understanding of SGMA goals and processes and to make SGMA-related decisions that consider the complexity of the state's communities, geography, and water management needs, as well as the many state and local programs and planning efforts that intersect with SGMA. To follow through on the State Water Board's commitment to using a racial equity lens in its decision-making, the State Water Board's engagement efforts and hearings have brought and will bring together parties that have not been heavily involved or actively included before.

D. Outcomes and Accountability

This request will help end unsustainable groundwater use in the major groundwater basins in California and ensure drinking water supplies reliant on groundwater, including in vulnerable communities, are more resilient to drought. This request will contribute to GSAs, groundwater extractors, and other interested parties working to address deficiencies in groundwater sustainability plans and to the management of groundwater levels, groundwater storage capacity, seawater intrusion, groundwater quality, land subsidence, and groundwater that is interconnected with surface water.

Projected Outcomes ^e

Workload Measure	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Review revised GSPs	24	24	24	24	24	24
Conduct public workshops	7	8	10	10	10	10
Hearings or other items for Board action	4	5	6	7	7	7
Responses to stakeholder emails and calls regarding extraction reporting	4,000	6,000	6,000	6,000	6,000	6,000
Release improvements to online reporting software	8	8	10	10	12	12
Review and investigate extraction reports	100	100	500	500	500	500

^e Table assumes a longer-term average of six basins subject to the Board's SGMA program in any given year as DWR refers basins to the Board due to its periodic reviews and the Board resolves deficiencies in basins and refers them back to DWR. Table also assumes an average of 24 GSPs for those six basins, based on the current year. Finally, based on current observations of stakeholder contacts, the program anticipates receiving roughly 1,000 calls and emails per basin.

Staff must evaluate plans failed by DWR and plans revised by GSAs in basins in state intervention to keep both external (e.g., GSAs) and internal (e.g., the State Water Board) parties apprised on how well GSAs have addressed deficiencies with the plans. Staff would continue holding remote and in-person public workshops ahead of probationary hearings and would begin to hold public workshops related to filing extraction reports, scoping or reviewing draft interim plans, or other issues that would benefit from public awareness and input. Staff would expand on existing guidance for new groundwater extraction reporters and respond to questions. Staff would develop processes and materials related to investigating non-reporters suspected of extracting

groundwater. Staff would continue to ensure the public is afforded opportunities to track progress and participate in the state intervention process.

E. Implementation Plan

Upon budget approval, a loan of approximately \$5.5 million will be executed to cover 2025-26 costs and additional loans will be executed as needed for 2026-27 and 2027-28.

F. Supplemental Information

There is a frequently asked questions file "Groundwater, the Sustainable Groundwater Management Act, and State Intervention," online at

https://www.waterboards.ca.gov/water_issues/programs/sgma/docs/groundwater-sgma-state-intervention-faqs.pdf.

For additional information, see the fact sheet, "Probationary Designation and Groundwater Regulation by the State Water Board," online at

https://www.waterboards.ca.gov/water_issues/programs/gmp/docs/sgma/sgma_probation.pdf.

BCP Fiscal Detail Sheet

BCP Title: Implementation of the Sustainable Groundwater Management Act

BR Name: 3940-025-BCP-2025-GB

Budget Request Summary

Personal Services

Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Salaries and Wages Earnings - Permanent	0	2,645	2,645	2,645	0	0
Total Salaries and Wages	\$0	\$2,645	\$2,645	\$2,645	\$0	\$0
Total Staff Benefits	0	1,384	1,384	1,384	0	0
Total Personal Services	\$0	\$4,029	\$4,029	\$4,029	\$0	\$0

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5301 - General Expense	0	33	33	33	0	0
5302 - Printing	0	81	81	81	0	0
5304 - Communications	0	201	201	201	0	0
5306 - Postage	0	40	40	40	0	0
5320 - Travel: In-State	0	363	363	363	0	0
5322 - Training	0	322	322	322	0	0
5324 - Facilities Operation	0	403	403	403	0	0
Total Operating Expenses and Equipment	\$0	\$1,443	\$1,443	\$1,443	\$0	\$0

Total Budget Request

Total Budget Request	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Budget Request	\$0	\$5,472	\$5,472	\$5,472	\$0	\$0

Fund Summary

Fund Source

Fund Source	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
State Operations - 3058 - Water Rights Fund	0	5,472	5,472	5,472	0	0
Total State Operations Expenditures	\$0	\$5,472	\$5,472	\$5,472	\$0	\$0
Total All Funds	\$0	\$5,472	\$5,472	\$5,472	\$0	\$0

Program Summary

Program Funding

Program Funding	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
3570 - Water Rights	0	5,472	5,472	5,472	0	0
Total All Programs	\$0	\$5,472	\$5,472	\$5,472	\$0	\$0

Personal Services Details

Salaries and Wages

Salaries and Wages	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
0762 - Environmental Scientist	0	72	72	72	0	0
3751 - Sr Engring Geologist	0	600	600	600	0	0
3756 - Engring Geologist	0	872	872	872	0	0
3844 - Sr Cntrl Engr	0	150	150	150	0	0
3846 - Cntrl Engr	0	326	326	326	0	0
4800 - Staff Svcs Mgr I	0	188	188	188	0	0
5393 - Assoc Govtl Program Analyst	0	80	80	80	0	0
5749 - Prin Dep Legislative Counsel I	0	172	172	172	0	0
7500 - C.E.A.	0	185	185	185	0	0
Total Salaries and Wages	\$0	\$2,645	\$2,645	\$2,645	\$0	\$0

Staff Benefits

Staff Benefits	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5150350 - Health Insurance	0	706	706	706	0	0
5150600 - Retirement - General	0	678	678	678	0	0
Total Staff Benefits	\$0	\$1,384	\$1,384	\$1,384	\$0	\$0

Total Personal Services

Total Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Personal Services	\$0	\$4,029	\$4,029	\$4,029	\$0	\$0