



Official Memorandum

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To: SLDMWA Water Resources Committee Members and Alternates / Board of Directors and Alternates
From: Scott Petersen, Chief Strategic and Administrative Officer
Date: September 14, 2026
RE: Water Resources Committee to Consider Recommendations on Legislation / Board of Directors to Consider Same

Recommendation

Recommend to the Water Resources Committee and Board of Directors to adopt the following positions on legislation:

State Legislation

- Adopt a position of "Watch" on A.B. 2728 (Soria), Groundwater: de minimis extractors: fees: exemption.

State Legislation

A.B. 2728 (Soria), Groundwater: de minimis extractors: fees: exemption.

RECOMMENDATION: Watch (Change from Support)

POLICY SCOPE: Environmental and Regulatory Compliance

Existing Law

Existing law authorizes a groundwater sustainability agency to impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, and investigations, inspections, compliance assistance, enforcement, and program administration, as provided. Existing law prohibits a groundwater sustainability agency from imposing those fees on a de minimis extractor, as defined, unless the agency has regulated the user, as provided.

Summary

AB 2728 adds Section 53759.5 to the Government Code and makes a conforming amendment to Water Code Section 10730 (SGMA's GSA fee authority). It authorizes any local government imposing a fee, levy, charge, or exaction for groundwater monitoring or management — expressly including groundwater sustainability agencies — to exempt de minimis extractors (domestic users pumping two acre-feet or less per year, per Water Code Section 10721) from paying, provided the agency makes two findings:

1. The monitoring or management activities funded by the fee directly benefit parties other than de minimis extractors; and



2. Any benefit de minimis extractors receive is incidental and comes at no additional cost to the parties actually paying the fee.

Status

02-19-2026 As Introduced

As introduced, this bill would have required the publication of certain data associated with hatcheries management on a publicly accessible website, easing analysis of hatcheries management practices by interested stakeholders.

06-11-2026 As Amended

This bill was gut and amended to reflect current provisions.

Importance to the Authority

The direct relevance runs through the member agencies that serve as GSAs or GSA participants in the Delta-Mendota, Westside and Tracy Subbasins and other adjacent basins. For them, the bill is permissive, not mandatory — it creates an option, not an obligation — but it matters in several ways:

Fee defensibility. Members whose GSA fee structures already exempt or under-charge domestic wells gain a statutory findings pathway that shores up those structures against Prop 26/218 challenges. The "declaratory of existing law" language is particularly useful given the volume of SGMA fee litigation statewide. Any member GSA considering a fee update should be advised to build the two findings into the adopting resolution.

Cost allocation. The flip side is that exempting de minimis extractors requires demonstrating the exemption imposes no additional cost on remaining payers — predominantly the agricultural landowners within member agency boundaries. Members will want their fee studies structured so monitoring and management costs are attributable to non-de-minimis benefit, or there is potential that the findings won't be satisfactory under challenge.

Administrative relief and rural relations. Billing thousands of small domestic wells is costly relative to the revenue collected, and per-well fees on rural residential wells have been a persistent source of SGMA implementation friction in the San Joaquin Valley. The bill lets member GSAs remove that irritant if desired, which has community-relations value in disadvantaged rural communities across the service area.

Well registration incentives. Proponents also noted that removing fees improves registration incentives for small well owners, helping agencies maintain accurate well counts for monitoring — a data-quality benefit for GSP implementation.

For these reasons, staff recommends a "Watch" position.

Guidelines for Taking Positions on Legislation

A number of controversial bills are introduced in the Congress and in the California Legislature. It is important to understand how the Authority takes positions on legislation.

Policy

By Agenda Item 7, dated December 12, 2025, the Board adopted the Policy Framework and Fiscal Year 2027 Policy Action Plan.



Water Authority's Positions on Legislation

The Water Authority takes positions on legislation that, if enacted, would impact Water Authority members, consistent with Water Authority Board adopted Goals and Objectives in the Strategic Plan, as implemented through the Policy Framework and Annual Policy Action Plan.

The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Support and Amend, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, Favor and Amend, and Watch (neutral).

The Water Authority's staff and consultants testify and advocate with legislators and staff through direct meetings and coordination of member agency contacts on all positions except Watch, Favor and Not Favor. For Favor and Not Favor positions, written communication of the Water Authority's position is provided to the legislator, the Water Authority's delegation, and relevant Committees.

Nothing in this section should be read to preclude the Executive Director or his or her delegee from taking a position on legislation on behalf of the Water Authority that is consistent with adopted legislative or policy objectives (e.g. the Policy Framework and Annual Policy Action Plan), after obtaining the concurrence of the Board's Chair, Vice Chair, and chairs of the Finance & Administration and Water Resources Committees, provided that the Executive Director informs the Board regarding such positions no later than the within three (3) business days. (SLDMWA Bylaws, § 3.07(c).)

Amendment Development Process

If the Water Authority takes a position contingent on amendments, the Water Authority will typically discuss the concepts for the amendments at the meeting. Then Water Authority staff, in consultation with Committee and/or Board Members as needed, will develop the amendments after the meeting.

Information Sharing

To provide adequate information to the entire Water Authority membership, the Water Authority provides legislative updates, posts positions and other information on our website, and sends out advisories and alerts on key legislation.

The Water Authority's legislative department is available to provide specific information on bills on request and Board Members are encouraged to communicate Water Authority positions on priority legislation in meetings with legislative staff, consistent with Water Authority policy. The Water Authority's Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.



BILL TEXT

Assembly Bill No. 2728

Passed the Assembly August 27, 2026

Chief Clerk of the Assembly

Passed the Senate August 10, 2026

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2026, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Article 4.8 (commencing with Section 53759.5) to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, and to amend Section 10730 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2728, Soria. Groundwater: de minimis extractors: fees: exemption.

Existing law authorizes a groundwater sustainability agency to impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, and investigations, inspections, compliance assistance, enforcement, and program administration, as provided. Existing law prohibits a groundwater sustainability agency from imposing those fees on a de minimis extractor, as defined, unless the agency has regulated the user, as provided.

This bill would authorize a local government, including, but not limited to, a groundwater sustainability agency, that imposes a fee, levy, charge, or exaction for groundwater monitoring or management, upon making specified findings, to exempt de minimis extractors, including the above-described regulated users, from the payment of the fee, levy, charge, or exaction, as provided.

The people of the State of California do enact as follows:

SECTION 1. Article 4.8 (commencing with Section 53759.5) is added to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

Article 4.8. De Minimis Extractors

53759.5. (a) For purposes of Article XIII C and Article XIII D of the California Constitution and this article, a local government, including, but not limited to, a groundwater sustainability agency, that imposes a fee, levy, charge, or exaction

for groundwater monitoring or management may exempt de minimis extractors from paying the fee, levy, charge, or exaction upon making both of the following findings:

(1) The groundwater monitoring or management activities for which the fee, levy, charge, or exaction is imposed directly benefit parties other than de minimis extractors.

(2) Any benefits received by de minimis extractors as a consequence of providing the groundwater monitoring or management activities occur incidentally and without additional cost to the parties upon whom the fee, levy, charge, or exaction is imposed.

(b) For purposes of this section, “de minimis extractor” has the same meaning as in Section 10721 of the Water Code.

(c) This section is declaratory of existing law, and does not limit the ability of a local government to establish other exemptions from any fee, levy, charge, or exaction when otherwise permissible under Article XIII C or XIII D of the California Constitution.

SEC. 2. Section 10730 of the Water Code is amended to read:

10730. (a) A groundwater sustainability agency may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve. A groundwater sustainability agency shall not impose a fee pursuant to this subdivision on a de minimis extractor unless the agency has regulated the user pursuant to this part, and may exempt regulated de minimis extractors from payment of any fee in accordance with Section 53759.5 of the Government Code.

(b) (1) Before imposing or increasing a fee, a groundwater sustainability agency shall hold at least one public meeting, at which oral or written presentations may be made as part of the meeting.

(2) Notice of the time and place of the meeting described in paragraph (1) shall include a general explanation of the matter to be considered and a statement that the data required by this section is available. The notice shall be published pursuant to Section 6066 of the Government Code, posted on the internet website of the groundwater sustainability agency, and mailed to any interested

party who files a written request with the agency for mailed notice of the meeting on new or increased fees. A written request for a mailed notice is valid for one year from the date that the request is made and may be renewed by making a written request on or before April 1 of each year.

(3) At least 20 days before the meeting, the groundwater sustainability agency shall make available to the public the data upon which the proposed fee is based.

(c) Any action by a groundwater sustainability agency to impose or increase a fee shall be taken only by ordinance or resolution.

(d) (1) As an alternative method for the collection of fees imposed pursuant to this section, a groundwater sustainability agency may adopt a resolution requesting collection of the fees in the same manner as ordinary municipal ad valorem taxes.

(2) A resolution described in paragraph (1) shall be adopted and furnished to the county auditor-controller and board of supervisors on or before August 1 of each year that the alternative collection of the fees is being requested. The resolution shall include a list of parcels and the amount to be collected for each parcel.

(e) The power granted by this section is in addition to any powers a groundwater sustainability agency has under any other law.

Approved _____, 2026

Governor