



CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

BOARD OF DIRECTORS MEETING

Board of Directors

Steve Jackson Chair, Cuyama Basin Water District
Arne Anselm Vice Chair, County of Ventura
Matthew Young Secretary, Santa Barbara County Water Agency
Cory Bantilan Treasurer, Santa Barbara County Water Agency
Derek Yurosek Cuyama Basin Water District
Deborah Williams Cuyama Community Services District

Brian Grant Cuyama Basin Water District
Kyle Richardson Cuyama Basin Water District
Jimmy Paulding County of San Luis Obispo
Katelyn Zenger County of Kern
Mark Ellsworth Cuyama Basin Water District

AGENDA

September 2, 2026

Agenda for a meeting of the Cuyama Basin Groundwater Sustainability Agency Board of Directors to be held on Wednesday, September 2, 2026, at 2:00 PM at the Cuyama Valley Family Resource Center 4689 CA-166, New Cuyama, CA 93254. Participate via computer at: <https://shorturl.at/CEXif> or by going to Microsoft Teams, downloading the free application, then entering Meeting ID: 285 525 814 804 96 Passcode: fc2R8yg6 or enter or telephonically at (469) 480-3918 Phone Conference ID: 955 559 561#.

Teleconference Locations:

4689 CA-166
New Cuyama, CA 93254

1055 Monterey Street
San Luis Obispo, CA 93408

The order in which agenda items are discussed may be changed to accommodate scheduling or other needs of the Board or Committee, the public, or meeting participants. Members of the public are encouraged to arrive at the commencement of the meeting to ensure that they are present for discussion of all items in which they are interested.

In compliance with the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services, to participate in this meeting, please contact Grace Bianchi at (559) 218-3482 by 4:00 p.m. on the Friday prior to this meeting. The Cuyama Basin Groundwater Sustainability Agency reserves the right to limit each speaker to three (3) minutes per subject or topic.

1. Call to Order (Jackson) (1 min)
2. Roll Call (Bianchi) (1 min)
3. Pledge of Allegiance (Jackson) (1 min)
4. Meeting Protocols (Bianchi) (2 min)
5. Standing Advisory Committee Meeting Report (Kelly) (3 min)
6. **CONSENT AGENDA** (5 min)

Items listed on the Consent Agenda are considered routine and non-controversial by staff and will be approved by one motion if no member of the Board or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Board concerning the item before action is taken.

- a. Approve July 1, 2026, Meeting Minutes
- b. Approve Payment of Bills for June and July 2026
- c. Approve Financial Reports for June and July 2026
- d. Approve Resolution 2026-04 Adopting a Policy Pursuant to Government Code Section 54956.96

- e. Approve Amendment to Conflict of Interest Code

7. ACTION ITEMS

All action items require a simple majority vote by default (50% + 1 of the weighted vote). Items that require a super majority vote (75% of the weighted total) will be noted as such at the end of the item.

- a. Groundwater Sustainability Plan Implementation
 - i. Update on Assessment of Increased Water Use for Areas Outside the Central Management Area (Blakslee/Van Lienden) (10 min)
 - ii. Direction on Improvements to the Allocation Exchange Program (Blakslee/Bianchi) (30 min)
 - iii. Direction on Implementing a Carryover Policy for Areas Subject to Allocations (Blakslee/Bianchi) (15 min)
 - iv. Direction on Adaptive Management (Blakslee) (15 min)

8. ADMINISTRATIVE UPDATES

- a. Executive Director Report (Blakslee) (5 min)
- b. General Counsel Report (Collins) (5 min)

9. TECHNICAL UPDATES

- a. Groundwater Sustainability Plan Activities (Van Lienden) (5 min)
- b. July 2026 Groundwater Conditions Report (Van Lienden) (5 min)

10. CLOSED SESSION

- a. Conference with Legal Counsel – Existing Litigation (15 min)
Pursuant to Government Code section 54956.9(d)(1) Bolthouse Land Company, LLC, et al v. All Persons Claiming a Right to Extract or Store Groundwater in the Cuyama Valley Groundwater Basin (BCV-21-101927)

- 11. Report of Ad Hoc Committees (1 min)
- 12. Directors' Forum (1 min)
- 13. Public Comment for Items Not on the Agenda (5 min)
- 14. Correspondence (1 min)
- 15. Adjourn (4:00 p.m.)

2026 Ad Hoc Committees

1	Finance	Ellsworth Grant Young
2	GSP Periodic Eval Review	Anselm Bantilan Jackson Williams Yurosek
3	Legal RFQ Review	Reely Richardson Zenger
4	Increased Water Use Analysis	Anselm Reely Yurosek
5	Allocation Exchange Pilot Improvements	Young Yurosek Stakeholder Tristan Zannon
6	Carryover Policy	Anselm Grant Jackson

Standing Advisory Committee Report

Meeting Date: August 27th, 2026

Submitted to the CBGSA Board of Directors on September 2nd, 2026

By Brenton Kelly, SAC Chair

The Standing Advisory Committee met at the Family Resource Center in a hybrid format, with four Committee Members present in-person and three on the conference line. GSA Staff Taylor Blakeslee was present, and Project Coordinator Grace Bianchi was joined by Brian Van Lienden and Nathan Metcalf on the call. Four stakeholders were in the room with more than a dozen stakeholders who were online for the video conference. The meeting lasted a little over 3 hours.

Legal counsel Nathan Metcalf gave a brief update on the following developments in the Adjudication:

- A list was posted with names and parcels who failed to file an Answer to the suit and subsequently had their groundwater rights zeroed out.
- A trial date has been set for next May 2027
- Mediation is underway with a status hearing in September
- All parties to the suit are required to have an account on CaseAnywhere for service
- A Minor Extractor Order was signed for anyone who pumps 5 afy or less, they must file an opt-in form by September 26, 2026, and must get a flow meter if pumping 2 afy or more.

As a point of public comment Joe Hasseltt asked whose responsibility is it that the form 700 conflict of interest forms are complete and comprehensive for the sake of transparency and identifying any conflict of interest among the GSA Board members. Taylor confirmed that Hallmark was responsible for the filing but takes no responsibility for the content.

Small Farmer Dave Lewis took this opportunity to protest the allocation policy. He maintains that it is flawed and has been from the beginning. No exception to the historical use determination is inequitable for smaller and newcomer farms and is the source of the problem that will crush farms like his.

Chair Kelly had agendized an update and discussion of the recent 65 page report titled Managing Groundwater with Small Farms in Mind: Risks, Barriers, and Opportunities of the Sustainable Groundwater Management Act.

The report was developed in partnership by the University of California Small Farms Network and Community Alliance with Family Farmers and is based on three years of statewide outreach, surveys, focus groups, and document review with small-scale farmers across California's priority groundwater basins including the Cuyama basin. This report argues that the widespread loss of small farms should be understood as an emerging "seventh undesirable

result of SGMA” — one that arises not only from overdraft itself, but from how groundwater management is designed and Implemented.

Chair Kelly recognised the relevant considerations and recommendations in the sections addressing; GSA Board Composition on page 32, Financing GSA Activities on page 35, Groundwater Markets on page 37, Allocation Methodology on page 50, and Adjudications on page 54. Chair Kelly encouraged the reading of the report and has included a summary of highlights and takeaways from the report in the correspondences section of this GSA Packet.

7,a,i. Update on Assessment of Increased Water Use for Areas Outside the Central Management Area

The committee agreed with staff recommendation to proceed with modeling the increased pumping in the two areas of concern

7,a,ii Direction on Improvements to the Allocation Exchange Program

After the staff's presentation we took comments on each of the seven points of the ad hoc recommendation.

#1. Establishing a list of Sellers:

- The SAC generally supported a staff-maintained seller list.
- Committee Member Jaffe recommended that anyone participating as a seller be required to be on the list, rather than opting in, for transparency.
- Committee Member DeBranch emphasized that participation in the program is voluntary. He mentioned he is aware of a couple of Districts that have a live online bulletin board that reflects all transactions in real time.
- Stakeholder Gliessman expressed a need for regulating where exchanged allocations are moving the pumping from and to within the Basin, to avoid possibly increasing pumping in sensitive areas.

#2. Allocation Exchange Deadline:

- The SAC generally supported the ad hoc recommendation allowing trades of a landowner's unused prior-year allocation through mid-February of the following year, before staff reports annual water use to the Board in March.
- Chair Kelly appreciated this as an abbreviated carryover policy. Allowing exchanges after the calendar year when unused allocations, and extra water needs are known, before final reporting for the previous year.

#3. Farming Units Sign off:

- Committee Member Jaffe expressed concern that requiring all farming units to sign off on exchange could limit some farming units from participating in the exchange. This would create 2 systems one for farming units and one for the exchange. Noted examples seen in other basins (e.g., Fox Canyon).

- Chair Kelly agreed, based on Derek Yurosek's previous comments, this requirement is likely to be prohibitive for Bolthouse, at least, to participate until property rights are resolved through the ongoing adjudication, necessitating a viable solution until then. He expressed concern for this particular issue as it was considered the downfall of the Fox Canyon Policy, as quoted below.

#4. Stakeholder Representation in Exchange Policy Development:

- Stakeholder Dave Lewis asked how the ad hoc committee was formed and who selects the stakeholder participant? Mr. Blakslee responded that the Board Chair appoints ad hoc committees, including the stakeholder, and that ad hoc recommendations are not final decisions but are brought to the SAC and Board for further input.

#5. Variance Pool

- Committee Member Jaffe claimed that this was the heart of the matter. She stated that a variance pool is essential to keep small pumpers viable, citing prior analysis showing landowners pumping less than 100 acre-feet have minimal impact on groundwater levels. Without access to a variance pool, or reconsideration of the allocation methodology, these small farms will go out of business and be lost from our community.
- Committee Member Haslett agreed and recommended the Board establish a fixed variance pool volume. He felt that an adequate volume of a viable pool would be less than the amount of water wasted running off the over-irrigated fields seen every day in the CMA.
- Chair Kelly was encouraged by the recognition by the Judge that 2-3% of the Sustainable Yield can be considered an immaterial amount of water with regard to the rights of larger pumpers in the Basin.

#6. Small Farmers and Ranchers Network Letter:

- Mr. Blakslee stated that the ad hoc felt the concerns raised in the letter were already addressed through the other policy points discussed.
- Committee Member Jaffe agreed that the key components of the letter were reflected in the recommendations presented. Appreciation was given for the time and effort put into considering some of the components of the SFAR letter.

#7. Additional Program Improvements (Penalty Fee Tiers):

- In favor of considering penalty fee tiers: Jaffe, Kelly, Caufield, Kelly, Haslett, Lewis
- Don't reconsider: DeBranch, Gaillard
- Committee Member Caufield suggested a hybrid that had both % and volume tiers to accommodate smaller pumpers and flow meter accuracy.

Chair Kelly read the following water market quotes from the CAFF report called:
Managing Groundwater with Small Farms in Mind:

Of particular concern is the capacity of large-scale operations farming across multiple, noncontiguous parcels to aggregate their allocations, and report all pumping together instead of specifically where groundwater extraction occurred. Small farmers may not wield sufficient market power, allowing more powerful entities to dominate the trading program and control how allocations are used.

Preventing negative impacts requires both structural protections — such as inclusive governance, annual evaluations of the market, and transparent decision making — alongside practical investments in accurate accounting systems, reliable data, and long-term funding for enforcement.

The Fox Canyon example demonstrates that even with significant financial and institutional support, groundwater markets face persistent challenges around accurate accounting, preventing market power abuse, ensuring transparency, and avoiding unintended increases in pumping.

GSAs must design markets that do not worsen inequities or push small-scale farmers out of business. They should ensure that large-scale pumpers are not able to combine allocations across noncontiguous parcels. Establish non tradable allocations for small-scale farmers. Cap trade volumes per entity and require blind trades through third party administrators to prevent market power concentration, as proposed by the California Water Commission.

7.a.iii. Direction on Implementing a Carryover Policy for Areas Subject to Allocations

Committee Member Gaillard noted that under a sustainable-yield-only carryover approach, illustrated in the packet, very little water would be available to carry over, and questioned the need for further work on the policy.

Committee Member Jaffe commented that too much remains uncertain due to the pending adjudication to implement carryover at this time, and that the six-week allocation exchange window functions as an incentive for the sale of unused allocations in the interim.

The SAC agreed with the ad hoc recommendation not to implement a carryover policy for 2027.

7.a.iv. Direction on Adaptive Management

Committee Member Jaffe asked what could/would be done about the exceedance in the CMA wells? Staff suggested that the investigation will determine if any beneficial users are negatively

impacted, and if not, then no action may be needed, and that soon the allocations should stop the declining groundwater elevation trends.

The Committee was generally in support of staff proceeding to investigate the wells in exceedance of their minimum thresholds.

9.b. July 2026 Groundwater Conditions Report

The committee was concerned about the multi-completion wells 77, 420, and 421 that were below their minimum thresholds and the trend was showing it will continue to decline. Well 107 and Well 573 have unusual groundwater elevation declines without any apparent land use changes. These need to be ground truthed.

Stakeholder Jane Wooster noted that the decline at Well 573 warranted further investigation, because the property's water use had not changed. She claims that this well has been steady at 70 feet deep for over 75 years and is for cattle water only.

Respectfully submitted,
Brenton Kelly
SAC Chairperson

Cuyama Basin Groundwater Sustainability Agency Board of Directors Meeting

July 1, 2026

Draft Meeting Minutes

PRESENT:

Directors

Jackson, Steve— Chair
Anselm, Arne – Vice Chair
Bantilan, Cory – Treasurer
Young, Matthew – Secretary
Grant, Brian
Reely, Blaine – Alternate
Richardson, Kyle
Ricci, Malcom – Alternate
Yurosek, Derek
Zenger, Katelyn
Ellsworth, Mark – Joined at 2:10 p.m.

Staff

Bianchi, Grace – Hallmark Group
Blakslee, Taylor –Executive Director, Hallmark Group
Collins, Claire – Legal Counsel, Hanson Bridgett
Metcalf, Nathan – Legal Counsel, Hanson Bridgett
Van Lienden, Brian – Woodard & Curran

1. Call to Order

Cuyama Basin Groundwater Sustainability Agency (CBGSA) Chair Jackson called the meeting to order at 2:00 p.m.

2. Roll Call

Ms. Bianchi called roll (shown above) and informed Chair Jackson that there was a quorum of the Board.

3. Pledge of Allegiance

The pledge of allegiance was led by Chair Jackson.

4. Meeting Protocols

Ms. Bianchi provided an overview of the meeting protocols.

5. Standing Advisory Committee Meeting Report

The Standing Advisory Committee met at the Family Resource Center in a hybrid format, with four Committee Members present in-person and two on the conference line. GSA Staff Taylor

Blakeslee and Project Coordinator Grace Bianchi were present, and they were joined by Brian Van Lienden on the call. One stakeholder was in the room with several on the video conference.

Legal counsel Nathan Metcalf gave a brief and helpful update on the status of the adjudication. The unresolved issues regarding the Minor Extractors Order for property owners who pump less than 5 AFY are expected to be finalized at the next hearing in the morning of Wednesday July 1st, 2026.

The SAC meeting lasted 1.5 hours and primarily consisted of GSP implementation updates. No votes were taken and no recommendations were made, Most of the discussion was regarding potential new pumping outside of the CMA.

7.b.i) i. Update on Increased Water Use Assessment for Areas Outside the Central Management Area

Staff presented the update on the two sites of concern where pumping may be increasing in the basin outside of the CMA. Progress is being made with the Ozena property to understand how the mistake was made as it seems to be a meter data issue and not a pumping extraction issue. After numerous outreach attempts by phone, email, and through the parent company, Staff has not been able to make contact with the Salisbury Canyon cannabis operation. This lack of communication is concerning to the SAC who feels it is very important to develop and maintain a working relationship with basin stakeholders.

The SAC generally supported the sending of a formal legal letter to inform them of the situation and to begin the process of using the model to determine the possible impacts of the new operation on the groundwater basin.

Stakeholder Kathleen March suggested that the pumping at North Fork Vineyard was much more impactful on the basin. She claims that the groundwater elevations have dropped over 100 feet and should be investigated for possible management actions.

The Meeting was adjourned at 6:30 pm.

CONSENT AGENDA

6. Consent Agenda

Chair Jackson asked if any Directors wanted to move any of the consent items out to discuss in more detail.

Stakeholder Ann Myrhe suggested inviting members of the public in attendance to introduce themselves, as other boards regularly do.

MOTION

Director Yurosek moved to approve the consent agenda items as presented. The motion was seconded by Director Richardson. A roll call vote was made and the motion passed with 93%.

AYES:	Anselm, Bantilan, Grant, Jackson, Ricci, Richardson, Reely, Young, Yurosek, Zenger
NOES:	None
ABSTAIN:	None
ABSENT:	Ellsworth

ACTION ITEMS

7. Groundwater Sustainability Plan Implementation

a. Adopt Reserve Fund Policy

Mr. Blakslee presented the proposed reserve fund policy, reviewed the various reserve amount options, and noted the staff recommendation.

Legal Counsel Collins stated that public agencies commonly maintain reserves for cash flow and capital needs. She explained that the amount and structure were policy decisions for the Board and could be adjusted during future budget cycles.

-----Director Ellsworth joined the meeting at 2:10 p.m.-----

Director Young stated that the Finance Ad Hoc Committee generally supported staff's approach and separate reserve categories but did not select specific funding levels.

Staff and legal counsel noted that the Board previously used an informal \$200,000 ending cash-balance target and managed cash around grant reimbursement timing.

Director Yurosek supported a reserve tied to a percentage of the budget and one flexible reserve fund instead of separate operating and emergency funds.

Stakeholder Jane Wooster asked whether agencies typically fund an entire reserve in one year. Legal Counsel Collins responded that timing varies and reserves are often built over time, although the Agency's current cash position allowed the Board to fund a reserve sooner.

Stakeholder Adam Lovgren supported using reserves for rate stabilization and asked whether collecting more in the current year would reduce a sharp fee increase the following year.

Stakeholder Byron Albano commented that the historically low groundwater extraction fee might have encouraged pumping and supported increasing the fee to help fund the reserve.

Alternate Malcom Ricci supported establishing a reserve and favored a percentage-based approach that would adjust with the annual budget.

Director Young discussed setting a minimum and target reserve to provide flexibility during annual rate setting.

Director Grant asked the order of magnitude of the existing infrastructure. He's in favor of using a percentage and only having one fund. Legal Counsel responded that the resolution is set up to allow for adjustments and it can be reevaluated each year.

Director Anselm is in favor of a percentage of budget for the reserve.

Director Zenger asked what vote would be required to use reserve funds. Legal Counsel Collins stated that the draft required a simple majority, subject to revision by the Board.

The board discussed various percentage options for the reserve policy.

MOTION

Director Yurosek moved to adopt the reserve policy to establish a single reserve fund equal to 20% of the budget. The motion was seconded by Director Grant. A roll call vote was made and the motion passed with 78%.

AYES:	Anselm, Ellsworth, Grant, Jackson, Richardson, Reely, Ricci, Yurosek, Zenger
NOES:	Bantilan, Young
ABSTAIN:	None
ABSENT:	None

b. Update on Increased Water Use Assessment for Areas Outside the Central Management Area

Mr. Blakslee provided an update on contact with landowners identified in the assessment of increased use outside the central management area. He reported that staff is working with the landowner in the Ozena Lockwood area to investigate the cause for the increased use. He reported for the area in Salisbury Canyon has not responded to any of the outreach attempts.

SAC Committee Chair Kelly provided the SAC report on this agenda item.

Director Grant asked about the wells' capacities and whether the Agency receives notice of new well permits. Staff explained that Santa Barbara County publishes quarterly well application data and that Agency staff now review well permits annually as part of the increased-use assessment.

The Board directed staff and legal counsel to send a formal letter to the Salisbury Canyon landowner on behalf of the Board and continue efforts to identify an appropriate contact.

8. PUBLIC HEARING – Consider Approval of Resolution No. 2026-03 Setting a Groundwater Extraction Fee for Fiscal Year 2026-2027 and Authorize Invoicing of Landowners

Chair Jackson opened the Public Hearing at 3:31 p.m. and confirmed that a quorum was present. He reported that notice of the hearing was published in the Santa Maria Times on June 11, 2026 and June 18, 2026.

Mr. Blakslee stated that the Board had approved the fiscal year budget and noticed a maximum groundwater extraction fee of \$20 per acre-foot. He reported that no written public comments were received by email or mail.

Chair Jackson opened the public comment portion of the public hearing.

Stakeholder Adam Lovgren supported collecting enough in the current year to reduce a larger fee increase in the following year.

Chair Jackson closed the public comment portion of the public hearing.

MOTION

Director Bantilan moved to adopt a groundwater extraction fee for an amount of \$6 per acre-foot. The motion was seconded by Director Yurosek. A roll call vote was made and the motion passed with 89%.

AYES:	Anselm, Bantilan, Ellsworth, Grant, Jackson, Richardson, Reely, Young, Yurosek, Zenger
NOES:	Ricci
ABSTAIN:	None
ABSENT:	None

MOTION

Director Bantilan moved to adopt the Resolution 2026-03 to Set Its Groundwater Extraction Fee Against All Persons Operating Groundwater Extraction Facilities Within the Cuyama Basin. The motion was seconded by Director Yurosek. A roll call vote was made and the motion passed unanimously.

AYES:	Anselm, Bantilan, Ellsworth, Grant, Jackson, Richardson, Reely, Ricci, Young, Yurosek, Zenger
NOES:	None
ABSTAIN:	None
ABSENT:	None

REPORT ITEMS

9. Administrative Updates

a. Report of the Executive Director

i. Update on Fiscal Year 2026-2027 Workplan and Schedule

Mr. Blakslee reviewed the Fiscal Year 2026-2027 schedule and the proposed timeline leading up to the 5-year evaluation.

Director Anselm asked about DWR's review of the CBGSA's 2025 Periodic Evaluation. Mr. Blakslee responded that the GSA submitted a response before the July 31 deadline and are waiting for DWR's review.

b. Report of the General Counsel

Nothing to report.

10. Technical Updates

a. Update on Groundwater Sustainability Plan Activities

Mr. Van Lienden noted that these updates are included in the board packet.

b. April 2026 Groundwater Conditions Report

Mr. Van Lienden provided an overview of the April 2026 Groundwater Conditions.

CLOSED SESSION

11. Closed Session - Conference with Legal Counsel – Existing Litigation

Pursuant to Government Code section 54956.9(d)(1)

a) Bolthouse Land Company, LLC, et al v. All Persons Claiming a Right to Extract or Store Groundwater in the Cuyama Valley Groundwater Basin (BCV-21-101927)

The board went into closed session at 4 p.m. and reconvened in at 4:20 p.m. Legal Counsel reported that no reportable action was taken during closed session.

12. Report of Ad Hoc Committees

Nothing to report.

13. Directors' Forum

Nothing to report.

14. Public comment for Items Not on the Agenda

Stakeholder Adam Lovgren commented on the difficulty of finding and contacting landowners willing to sell allocations. Staff explained that the pilot program was designed with limited administration but would be reviewed for improvements, including possible assistance connecting buyers and sellers.

Stakeholder Karen Lewis stated that potential sellers might not know whether allocations are available until the end of the irrigation season. She requested a grace period before penalties apply so landowners have time to complete exchanges.

Stakeholder Byron Albano suggested polling water users about whether they would consent to sharing their contact information with parties seeking allocations. Staff agreed to pursue the option at the Board's direction.

Stakeholder Dave Lewis stated that the allocation methodology did not account for the circumstances of small family farms. He requested an alternative allocation approach, noting that the amount needed by his farm was small relative to total basin use.

Stakeholder Jacob Metz with Sunrise Ranch Properties, requested that the enforcement of Central Management Area allocations be postponed until the adjudication determines water rights. He stated that Sunrise's allocation was based on unrepresentative production years and that continued enforcement could harm affected agricultural operations.

15. Correspondence

Staff reported that two correspondences were received from Alisha Taff and David and Karen Lewis.

Ben Markham, speaking on behalf of David and Karen Lewis, requested that the Board maintain their 120 acre-foot variance or postpone allocations pending the adjudication.

16. Adjourn

Chair Jackson adjourned the meeting at 4:22 PM.

BOARD OF DIRECTORS OF THE
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

Chair: _____

ATTEST: _____

Secretary: _____



TO: Board of Directors
Agenda Item No. 6b

FROM: Taylor Blakslee, Hallmark Group

DATE: September 2, 2026

SUBJECT: Approve Payment of Bills for June and July 2026

Recommended Motion

Approve payment of the bills for June and July 2026 in the amount of \$177,998.

Discussion

Consultant invoices for the months of June and July 2026 are summarized below for consideration of Board approval.

Expense	June	July	Totals
Woodard & Curran – Technical Services	\$31,356	\$46,618	\$ 77,974
Hallmark – Executive Director Services	\$19,681	\$18,584	\$ 38,265
Hanson Bridgett – Legal Services	\$21,344	\$15,773	\$ 37,117
U.S. Geological Survey – Stream Gauges	\$13,150	\$0	\$ 13,150
Provost & Pritchard – Quarterly groundwater levels	\$1,231	\$10,260	\$ 11,491
TOTALS	\$86,763	\$91,235	\$177,998



TO: Board of Directors
Agenda Item No. 6c

FROM: Taylor Blakslee, Hallmark Group

DATE: September 2, 2026

SUBJECT: Approve Financial Reports for June and July 2026

Recommended Motion

Approve financial reports for June and July 2026.

Discussion

The Cuyama Basin Groundwater Sustainability Agency's financial report for June 2026 is provided as **Attachment 1** and the financial report for July 2026 is provided as **Attachment 2**.

The reports include:

- Statement of Financial Position
- Receipts and Disbursements
- A/R Aging Summary
- A/P Aging Summary
- Statement of Operations with Budget Variance
- Fiscal Year 2025/2026 Operating Budget



Cuyama Basin Groundwater Sustainability Agency

**Financial Statements
June 2026**

CUYAMA BASIN GSA

Statement of Financial Position

As of June 30, 2026

	Jun 30, 26	Jun 30, 25	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Chase - General Checking	1,251,999	1,687,745	-435,745	-26%
Total Checking/Savings	1,251,999	1,687,745	-435,745	-26%
Accounts Receivable				
Accounts Receivable	3,782	0	3,782	100%
Total Accounts Receivable	3,782	0	3,782	100%
Other Current Assets				
Grant Retention Receivable	0	687,664	-687,664	-100%
Total Other Current Assets	0	687,664	-687,664	-100%
Total Current Assets	1,255,782	2,375,408	-1,119,627	-47%
TOTAL ASSETS	1,255,782	2,375,408	-1,119,627	-47%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	278,890	247,673	31,217	13%
Total Accounts Payable	278,890	247,673	31,217	13%
Other Current Liabilities				
Deferred Revenue - GWE Fees	0	103,473	-103,473	-100%
Accrued Expenses	0	2,168	-2,168	-100%
Total Other Current Liabilities	0	105,640	-105,640	-100%
Total Current Liabilities	278,890	353,314	-74,423	-21%
Total Liabilities	278,890	353,314	-74,423	-21%
Equity				
Unrestricted Net Assets	2,022,095	2,346,115	-324,020	-14%
Net Income	-1,045,204	-324,020	-721,183	-223%
Total Equity	976,891	2,022,095	-1,045,204	-52%
TOTAL LIABILITIES & EQUITY	1,255,782	2,375,408	-1,119,627	-47%

CUYAMA BASIN GSA Receipts and Disbursements

As of June 30, 2026

Type	Date	Num	Name	Debit	Credit
Chase - General Checking					
Bill Pmt -Check	07/09/2025	1223	HGCPM, Inc.		41,881.43
Bill Pmt -Check	07/09/2025	1224	Klein DeNatale Goldner		34,078.41
Bill Pmt -Check	07/09/2025	1225	Provost & Pritchard Consulting Group		11,231.19
Bill Pmt -Check	07/09/2025	1226	Woodard & Curran Inc		86,576.03
Payment	07/18/2025	25335	Groundwater Extraction Fees:Yeguada Trujillo	165.25	
Payment	07/18/2025	542062	Groundwater Extraction Fees:Grimmway Enterprises, Inc	66,896.75	
Payment	07/18/2025	10608	Groundwater Extraction Fees:JHP Global, Inc	1,771.50	
Payment	07/18/2025	2616	Groundwater Extraction Fees:Tri-County Pistachios	5,450.00	
Payment	07/18/2025	53647	Groundwater Extraction Fees:Hoekstra Family Trust	1,711.65	
Deposit	07/18/2025		*	13.20	
Bill Pmt -Check	09/05/2025	1227	HGCPM, Inc.		33,724.66
Bill Pmt -Check	09/05/2025	1228	Klein DeNatale Goldner		18,160.50
Bill Pmt -Check	09/05/2025	1229	Provost & Pritchard Consulting Group		12,886.35
Bill Pmt -Check	09/05/2025	1230	U.S. Geological Survey		13,150.00
Bill Pmt -Check	09/05/2025	1231	Woodard & Curran Inc		73,258.46
Bill Pmt -Check	09/22/2025	1232	Campbell Scientific Inc.		20,267.35
Payment	09/24/2025	84963	Groundwater Extraction Fees:Duncan Family Farms	263.40	
Payment	10/22/2025	44177	Groundwater Extraction Fees:El Rancho Espanol	15.84	
Deposit	11/05/2025		*	602.07	
Payment	11/14/2025	864	Groundwater Extraction Fees:Lewis, David	246.64	
Bill Pmt -Check	11/18/2025	1233	Daniells Phillips Vaughan & Bock		9,500.00
Bill Pmt -Check	11/18/2025	1234	HGCPM, Inc.		54,312.10
Bill Pmt -Check	11/18/2025	1235	Klein DeNatale Goldner		35,504.59
Bill Pmt -Check	11/18/2025	1236	Provost & Pritchard Consulting Group		8,794.77
Bill Pmt -Check	11/18/2025	1237	Woodard & Curran Inc		87,910.91
Deposit	11/25/2025		*	3.97	
Payment	12/10/2025	26727	Groundwater Extraction Fees:Yeguada Trujillo	4,791.38	
Bill Pmt -Check	12/16/2025	1238	U.S. Geological Survey		13,150.00
Payment	01/16/2026	2381	Cambell Scientific Inc	1,239.83	
Bill Pmt -Check	01/16/2026	1239	Daniells Phillips Vaughan & Bock		1,000.00
Bill Pmt -Check	01/16/2026	1240	HGCPM, Inc.		55,297.75
Bill Pmt -Check	01/16/2026	1241	Klein DeNatale Goldner		28,598.91
Bill Pmt -Check	01/16/2026	1242	Provost & Pritchard Consulting Group		18,537.00
Bill Pmt -Check	01/16/2026	1243	Sunridge Nurseries, Inc		54,054.53
Bill Pmt -Check	01/16/2026	1244	Woodard & Curran Inc		160,133.63
Payment	01/28/2026	1053	Groundwater Extraction Fees:Double H Farming, LLC	567.50	
Bill Pmt -Check	03/10/2026	1245	CA Assoc of Mutual Water Companies		100.00
Bill Pmt -Check	03/10/2026	1246	Cuyama Orchards, Inc		35,425.05
Bill Pmt -Check	03/10/2026	1247	HGCPM, Inc.		40,458.71
Bill Pmt -Check	03/10/2026	1248	Klein DeNatale Goldner		23,298.20
Bill Pmt -Check	03/10/2026	1249	Provost & Pritchard Consulting Group		14,720.18
Bill Pmt -Check	03/10/2026	1250	U.S. Geological Survey		13,150.00
Bill Pmt -Check	03/10/2026	1251	Woodard & Curran Inc		127,930.00
Bill Pmt -Check	04/17/2026	1252	Insurica		23,613.00
Deposit	04/30/2026		*	1.97	
Payment	05/04/2026	05-935158	Department of Water Resources	760,000.00	
Payment	05/04/2026	3035	Groundwater Extraction Fees:Taft, Alisha	1,330.56	
Bill Pmt -Check	05/06/2026	1253	HGCPM, Inc.		38,069.05
Bill Pmt -Check	05/06/2026	1254	Klein DeNatale Goldner		21,473.20
Bill Pmt -Check	05/06/2026	1255	Provost & Pritchard Consulting Group		1,467.54
Bill Pmt -Check	05/06/2026	1256	U.S. Geological Survey		13,150.00
Bill Pmt -Check	05/06/2026	1257	Woodard & Curran Inc		90,131.08
Payment	05/12/2026	2718	Groundwater Extraction Fees:Tri-County Pistachios	1,375.00	
Payment	05/12/2026	182044	Groundwater Extraction Fees:Kern Ridge Growers, LLC	6,100.40	
Deposit	05/28/2026		*	0.01	
Payment	06/24/2026	4755	Groundwater Extraction Fees:Sunrise Olive Ranch, LLC	26,702.50	
Total Chase - General Checking				879,249.42	1,314,994.58
TOTAL				879,249.42	1,314,994.58

*Miscellaneous deposits consist of interest income on GWE fees from Santa Barbara and Ventura Counties.

CUYAMA BASIN GSA
A/R Aging Summary
As of June 30, 2026

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Groundwater Extraction Fees Nanette Suarez	3,782	0	0	0	0	3,782
Total Groundwater Extraction Fees	3,782	0	0	0	0	3,782
TOTAL	3,782	0	0	0	0	3,782

CUYAMA BASIN GSA
A/P Aging Summary
As of June 30, 2026

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Hanson Bridgett LLP	21,344	28,540	0	41,380	0	91,264
HGCPM, Inc.	19,681	13,507	0	22,679	0	55,867
Klein DeNatale Goldner	0	19	0	4,788	0	4,807
Provost & Pritchard Consulting Group	1,231	910	0	13,107	0	15,248
U.S. Geological Survey	13,150	0	0	0	0	13,150
Woodard & Curran Inc	31,356	25,488	0	41,711	0	98,555
TOTAL	86,763	68,463	0	123,665	0	278,890

CUYAMA BASIN GSA

Statement of Operations with Budget Variance

July 2025 through June 2026

	Jul '25 - Jun 26	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Direct Public Funds				
Groundwater Extraction Fees	193,631	180,000	13,631	108%
Grant Reimbursements	72,336	72,336	-0	100%
CMA Over-Pumping Penalties	28,078	0	28,078	100%
GWE Late Fees	2,935	0	2,935	100%
Total Direct Public Funds	296,980	252,336	44,644	118%
Other Income				
Interest Income	621	0	621	100%
Total Other Income	621	0	621	100%
Total Income	297,601	252,336	45,265	118%
Cost of Goods Sold				
Program Expenses				
Technical Consulting				
Adjudication Support	3,761	38,500	-34,739	10%
GSP Implementation - W&C	208,903	209,000	-97	100%
Stakeholder Engagement	118,151	97,200	20,951	122%
Technical Support for DWR	0	10,000	-10,000	0%
Outreach	0	21,100	-21,100	0%
Grant Proposals	0	45,100	-45,100	0%
Grant Administration	29,966	30,000	-34	100%
Improve Basin Water Use Info	18,899	19,000	-101	99%
Project & Mgmt Action Impl	16,184	0	16,184	100%
Fault Investigation	157,583	167,700	-10,117	94%
Other Technical Tasks	51,871	94,400	-42,529	55%
Total Technical Consulting	605,318	732,000	-126,682	83%
Other Technical Consulting				
Monitoring Network	71,058	75,000	-3,942	95%
Stream Gauge Maintenance (USGS)	52,600	53,200	-600	99%
CIMIS Station	114,693	74,000	40,693	155%
Total Other Technical Consulting	238,350	202,200	36,150	118%
Total Program Expenses	843,668	934,200	-90,532	90%
Total COGS	843,668	934,200	-90,532	90%
Gross Profit	-546,067	-681,864	135,796	80%
Expense				
General and Administrative				
Executive Director				
Board Meetings	117,919	136,700	-18,782	86%
Consult Mgmt and GSP Devel	73,062	50,000	23,062	146%
Financial Information Coord	32,198	46,800	-14,603	69%
Support for DWR/Public Comments	1,050	14,100	-13,050	7%
Funding - GWE Fees	5,711	12,000	-6,289	48%
CMA Policy and Allocations	1,425	24,500	-23,075	6%
Outreach	8,564	20,500	-11,936	42%
Adjudication Support	4,702	24,100	-19,399	20%
Water Use Enforcement	740	2,000	-1,260	37%
Travel and Direct Costs	4,438	0	4,438	100%
Total Executive Director	249,807	330,700	-80,893	76%
Other Administrative				
Legal	207,860	250,000	-42,140	83%

CUYAMA BASIN GSA

Statement of Operations with Budget Variance

July 2025 through June 2026

	Jul '25 - Jun 26	Budget	\$ Over Budget	% of Budget
Insurance Policies	23,613	21,400	2,213	110%
Audit Fees	10,500	10,000	500	105%
Printing and Copying	3,827	5,000	-1,173	77%
Other Admin Expense	3,529	4,200	-671	84%
Contingency	0	20,000	-20,000	0%
Total Other Administrative	249,329	310,600	-61,271	80%
Total General and Administrative	499,136	641,300	-142,164	78%
Total Expense	499,136	641,300	-142,164	78%
Net Ordinary Income	-1,045,204	-1,323,164	277,960	79%
Net Income	-1,045,204	-1,323,164	277,960	79%

CUYAMA BASIN GSA
FY 25/26 Budget
 July 2025 - June 2026

	<u>Jul '25 - Jun 26</u>
Ordinary Income/Expense	
Income	
Direct Public Funds	
Groundwater Extraction Fees	180,000
Grant Reimbursements	72,336
Total Direct Public Funds	<u>252,336</u>
Total Income	252,336
Cost of Goods Sold	
Program Expenses	
Technical Consulting	
Adjudication Support	38,500
GSP Implementation - W&C	209,000
Stakeholder Engagement	97,200
Technical Support for DWR	10,000
Outreach	21,100
Grant Proposals	45,100
Grant Administration	30,000
Improve Basin Water Use Info	19,000
Fault Investigation	167,700
Other Technical Tasks	94,400
Total Technical Consulting	<u>732,000</u>
Other Technical Consulting	
Monitoring Network	75,000
Stream Gauge Maintenance (USGS)	53,200
CIMIS Station	74,000
Total Other Technical Consulting	<u>202,200</u>
Total Program Expenses	<u>934,200</u>
Total COGS	<u>934,200</u>
Gross Profit	-681,864
Expense	
General and Administrative	
Executive Director	
Board Meetings	136,700
Consult Mgmt and GSP Devel	50,000
Financial Information Coor	46,800
Support for DWR/Public Comments	14,100
Funding - GWE Fees	12,000
CMA Policy and Allocations	24,500
Outreach	20,500
Adjudication Support	24,100
Water Use Enforcement	2,000
Total Executive Director	<u>330,700</u>
Other Administrative	
Legal	250,000
Insurance Policies	21,400
Audit Fees	10,000
Printing and Copying	5,000
Other Admin Expense	4,200
Contingency	20,000
Total Other Administrative	<u>310,600</u>
Total General and Administrative	<u>641,300</u>
Total Expense	<u>641,300</u>
Net Ordinary Income	<u>-1,323,164</u>
Net Income	<u><u>-1,323,164</u></u>



Cuyama Basin Groundwater Sustainability Agency

**Financial Statements
July 2026**

CUYAMA BASIN GSA
Statement of Financial Position
As of July 31, 2026

	Jul 31, 26	Jul 31, 25	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Chase - General Checking	1,060,782	1,589,986	-529,204	-33%
Total Checking/Savings	1,060,782	1,589,986	-529,204	-33%
Accounts Receivable				
Accounts Receivable	208,917	1,047	207,869	19,849%
Total Accounts Receivable	208,917	1,047	207,869	19,849%
Other Current Assets				
Grant Retention Receivable	0	687,664	-687,664	-100%
Total Other Current Assets	0	687,664	-687,664	-100%
Total Current Assets	1,269,698	2,278,697	-1,008,999	-44%
TOTAL ASSETS	1,269,698	2,278,697	-1,008,999	-44%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	178,908	151,180	27,728	18%
Total Accounts Payable	178,908	151,180	27,728	18%
Total Current Liabilities	178,908	151,180	27,728	18%
Total Liabilities	178,908	151,180	27,728	18%
Equity				
Unrestricted Net Assets	976,891	2,022,095	-1,045,204	-52%
Net Income	113,899	105,422	8,477	8%
Total Equity	1,090,791	2,127,517	-1,036,726	-49%
TOTAL LIABILITIES & EQUITY	1,269,698	2,278,697	-1,008,999	-44%

CUYAMA BASIN GSA
Receipts and Disbursements
As of July 31, 2026

Type	Date	Num	Name	Debit	Credit
Chase - General Checking					
Bill Pmt -Check	07/02/2026	1258	Hanson Bridgett LLP		69,919.53
Bill Pmt -Check	07/02/2026	1259	HGCPM, Inc.		36,185.99
Bill Pmt -Check	07/02/2026	1260	Klein DeNatale Goldner		4,806.80
Bill Pmt -Check	07/02/2026	1261	Provost & Pritchard Consulting Group		13,106.63
Bill Pmt -Check	07/02/2026	1262	Woodard & Curran Inc		67,198.75
Total Chase - General Checking				0.00	191,217.70
TOTAL				0.00	191,217.70

CUYAMA BASIN GSA
A/R Aging Summary
As of July 31, 2026

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Groundwater Extraction Fees						
Rancho Cuyama No. 2, LLC	0	5,531	0	0	0	5,531
Nanette Suarez	0	0	3,782	0	0	3,782
M&A Family Farms	0	191	0	0	0	191
Yeguada Trujillo	0	663	0	0	0	663
Double H Farming, LLC	0	712	0	0	0	712
Anderson Development	0	1,400	0	0	0	1,400
Duncan Family Farms	0	27	0	0	0	27
CCSH Farms	0	746	0	0	0	746
Buck, Ann	0	697	0	0	0	697
Bosma and Ricci	0	159	0	0	0	159
Apache Canyon Ranch, Inc	0	2,081	0	0	0	2,081
Belden Family Trust	0	2,464	0	0	0	2,464
Bolthouse Land Co, LLC	0	56,722	0	0	0	56,722
Cheng, Ceferino	0	847	0	0	0	847
Cuyama Community Svcs Dist	0	1,053	0	0	0	1,053
Hoekstra Family Trust	0	1,804	0	0	0	1,804
Cuyama Orchards, Inc	0	5,839	0	0	0	5,839
E & B Natural Resources Mgmt Corp	0	156	0	0	0	156
El Rancho Espanol	0	24	0	0	0	24
Feinstein Investments	0	6,480	0	0	0	6,480
Grimmway Enterprises, Inc	0	58,645	0	0	0	58,645
Harrington Farms	0	1,202	0	0	0	1,202
JHP Global, Inc	0	2,226	0	0	0	2,226
Karam Pistachio Farm	0	3,547	0	0	0	3,547
Kern Ridge Growers, LLC	0	17,744	0	0	0	17,744
Lear Real Estate Ent LLC	0	2,578	0	0	0	2,578
Lewis, David	0	215	0	0	0	215
Lucky Dog Ranch, LLC	0	2,296	0	0	0	2,296
Highlands Vineyards SB LLC	0	4,375	0	0	0	4,375
Sunridge Nurseries, Inc	0	2,728	0	0	0	2,728
Sunrise Olive Ranch, LLC	0	12,360	0	0	0	12,360
The Ranch	0	111	0	0	0	111
Tri-County Pistachios	0	5,995	0	0	0	5,995
Triangle E. Farms	0	3,517	0	0	0	3,517
Total Groundwater Extraction Fees	0	205,134	3,782	0	0	208,917
TOTAL	0	205,134	3,782	0	0	208,917

CUYAMA BASIN GSA
A/P Aging Summary
As of July 31, 2026

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Hanson Bridgett LLP	15,773	0	21,344	0	0	37,117
HGCPM, Inc.	18,584	0	19,681	0	0	38,265
Provost & Pritchard Consulting Group	10,260	0	1,231	910	0	12,401
U.S. Geological Survey	0	0	13,150	0	0	13,150
Woodard & Curran Inc	46,618	0	31,356	0	0	77,974
TOTAL	91,235	0	86,763	910	0	178,908

CUYAMA BASIN GSA

Statement of Operations with Budget Variance

July 2026

	Jul 26	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Direct Public Funds				
Groundwater Extraction Fees	205,134	205,000	134	100%
Total Direct Public Funds	205,134	205,000	134	100%
Total Income	205,134	205,000	134	100%
Cost of Goods Sold				
Program Expenses				
Technical Consulting				
Pumping & Water Use Analysis	0	2,580	-2,580	0%
Adjudication Support	0	3,750	-3,750	0%
GSP Implementation - W&C	9,609	20,095	-10,486	48%
Basin Model Refinement	28,071	20,000	8,071	140%
Stakeholder Engagement	6,313	8,470	-2,157	75%
Improve Basin Water Use Info	2,625	5,212	-2,587	50%
Other Technical Tasks	0	4,920	-4,920	0%
Total Technical Consulting	46,618	65,027	-18,409	72%
Other Technical Consulting				
Monitoring Network	10,260	6,670	3,590	154%
CIMIS Station	0	1,170	-1,170	0%
Total Other Technical Consulting	10,260	7,840	2,420	131%
Total Program Expenses	56,878	72,867	-15,989	78%
Total COGS	56,878	72,867	-15,989	78%
Gross Profit	148,256	132,133	16,123	112%
Expense				
General and Administrative				
Executive Director				
Board Meetings	8,598	9,310	-713	92%
Consult Mgmt and GSP Devel	6,391	4,580	1,811	140%
Financial Information Coor	781	3,340	-2,559	23%
Support for DWR/Public Comments	0	575	-575	0%
Funding - GWE Fees	2,660	1,960	700	136%
Outreach	93	1,375	-1,283	7%
Adjudication Support	0	1,260	-1,260	0%
Travel and Direct Costs	62	0	62	100%
Total Executive Director	18,584	22,400	-3,816	83%
Other Administrative				
Legal				
General Counsel	5,303	12,110	-6,807	44%
Adjudication Matters	10,470	15,345	-4,875	68%
Adjudication Contingency	0	8,335	-8,335	0%
Total Legal	15,773	35,790	-20,017	44%
Printing and Copying	0	500	-500	0%
Other Admin Expense	0	330	-330	0%
Contingency	0	1,670	-1,670	0%
Total Other Administrative	15,773	38,290	-22,517	41%
Total General and Administrative	34,357	60,690	-26,333	57%
Total Expense	34,357	60,690	-26,333	57%
Net Ordinary Income	113,899	71,443	42,456	159%
Net Income	113,899	71,443	42,456	159%

CUYAMA BASIN GSA
FY 26/27 Budget
 July 2026 - June 2027

	<u>Jul '26 - Jun 27</u>
Ordinary Income/Expense	
Income	
Direct Public Funds	
Groundwater Extraction Fees	205,000
Total Direct Public Funds	205,000
Total Income	205,000
Cost of Goods Sold	
Program Expenses	
Technical Consulting	
Pumping & Water Use Analysis	30,850
Adjudication Support	45,000
GSP Implementation - W&C	241,150
Basin Model Refinement	63,360
Stakeholder Engagement	101,659
Improve Basin Water Use Info	62,535
Other Technical Tasks	59,070
Total Technical Consulting	603,624
Other Technical Consulting	
Monitoring Network	80,000
Stream Gauge Maintenance (USGS)	53,200
CIMIS Station	14,000
Total Other Technical Consulting	147,200
Total Program Expenses	750,824
Total COGS	750,824
Gross Profit	-545,824
Expense	
General and Administrative	
Executive Director	
Board Meetings	111,700
Consult Mgmt and GSP Devel	55,000
Financial Information Coor	40,000
Support for DWR/Public Comments	6,875
Funding - GWE Fees	23,500
Outreach	16,500
Adjudication Support	15,100
Total Executive Director	268,675
Other Administrative	
Legal	
General Counsel	145,310
Adjudication Matters	184,140
Adjudication Contingency	100,000
Total Legal	429,450
Insurance Policies	23,600
Audit Fees	12,000
Printing and Copying	6,000
Other Admin Expense	4,151
Contingency	20,000
Total Other Administrative	495,201
Total General and Administrative	763,876
Total Expense	763,876
Net Ordinary Income	-1,309,700
Net Income	<u><u>-1,309,700</u></u>



TO: Board of Directors
Agenda Item No. 6d

FROM: Taylor Blakslee, Hallmark Group

DATE: September 2, 2026

SUBJECT: Approve Resolution 2026-04 Adopting a Policy Pursuant to Government Code Section 54956.96

Recommended Motion

Approve Resolution 2026-04 Adopting a Policy Pursuant to Government Code Section 54956.96.

Discussion

Resolution 2026-04 establishes a policy governing the disclosure of confidential closed-session information between CBGSA Board members and their respective member agencies. The resolution is provided as **Attachment 1**.

BEFORE THE BOARD OF DIRECTORS CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

In the matter of:

Resolution No. 2026-04

RESOLUTION OF THE CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY ADOPTING A POLICY PURSUANT TO GOVERNMENT CODE SECTION 54956.96

I, _____, Secretary of the Board of Directors for the Cuyama Basin Groundwater Sustainability Agency, certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at a regular meeting on the second day of September, 2026, by the following vote:

AYES:

NOES:

ABSENT:

Secretary of the Board of Directors
Cuyama Basin Groundwater Sustainability
Agency

RESOLUTION

Section 1. WHEREAS:

(a) The Cuyama Basin Groundwater Sustainability Agency (CBGSA) is a Joint Powers Agency (JPA) consisting of several local agencies and public entities; and

(b) The members of the CBGSA hold separate duties to their respective local agencies; and

(c) At times the CBGSA members engage in confidential closed session discussions of pending or potential litigation with legal counsel and other appropriate closed session matters; and

(d) The representative members of the CBGSA are required to maintain confidentiality when discussing such information with their respective local agency legislative bodies; and

(e) A JPA may adopt a policy to include the authorization to disclose confidential information pursuant to California Government Code section 54956.96 so that confidential information can be discussed in closed session with the local agency member's legislative body where appropriate.

Section 2. IT IS RESOLVED by the Board of the Cuyama Basin Groundwater Sustainability Agency, as follows:

1. The Board finds and determines that each of the facts presented above are true and correct and are hereby incorporated by reference herein.

2. The CBGSA hereby adopts the following closed session information sharing policy pursuant to California Government Code § 54956.96:

(1) All information received by the legislative body of the local agency member in a closed session related to the information presented to the CBGSA in closed session shall be confidential. However, a member of the legislative body of a local agency member may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

- (A) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.
- (B) Other members of the legislative body of the local agency present in a closed session of that local agency member.
- (C) Any designated alternate member of the CBGSA Board who is also a member of the legislative body of that local agency member and who is attending a properly noticed meeting of the CBGSA in lieu of a local agency member's regularly appointed member to attend closed sessions of the CBGSA.



TO: Board of Directors
Agenda Item No. 6e

FROM: Taylor Blakslee, Hallmark Group

DATE: September 2, 2026

SUBJECT: Approve Amendment to Conflict of Interest Code

Recommended Motion

Authorize staff to submit the proposed amendments to the CBGSA Conflict of Interest Code to the Fair Political Practices Commission for review.

Discussion

The Political Reform Act requires local agencies to review their Conflict-of-Interest Codes (COIC) every two years and submit a biennial notice identifying whether amendments are needed. As part of this year's biennial review, staff prepared proposed amendments to the Cuyama Basin Groundwater Sustainability Agency's COIC. A red-lined version showing the proposed changes is included as **Attachment 1**.

The Fair Political Practices Commission (FPPC) reviews and approves the CBGSA's COIC. Staff is requesting Board authorization to submit the proposed amendments to the FPPC for review.

CONFLICT OF INTEREST CODE

CUYAMA GROUNDWATER SUSTAINABILITY AGENCY

Amended MONTH DATE, 2026

CUYAMA GROUNDWATER SUSTAINABILITY AGENCY CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) that contains the terms of a standard conflict of interest code that, which can may be incorporated by reference in an agency's code. After public notice and hearing, ~~the standard code may be amended by~~ the Fair Political Practices Commission may amend the standard code to conform to amendments in the Political Reform Act.

~~Therefore, t~~The terms of 2 California Code of Regulations ~~Section §~~18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference. This regulation and the attached Appendix, (designating positions and establishing disclosure categories), ~~shall will~~ constitute the ~~e~~Conflict of ~~i~~Interest ~~e~~Code of the **Cuyama Basin Groundwater Sustainability Agency ("Agency")**.

Individuals holding designated positions ~~shall will~~ file their statements of economic interests with the Agency, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) All statements will be retained by the Agency.

APPENDIX DESIGNATED POSITIONS ~~AND~~ ~~DISCLOSURE CATEGORIES~~

I. <u>Designated Positions</u> <u>Categories</u>	<u>Assigned Disclosure</u>
Board of Directors and Alternates	1, 2, 3
Executive Director [±]	1, 2, 3
Legal Counsel [±]	1, 2, 3
Groundwater Sustainability Plan Consultant [±]	1, 2, 3
Advisory Committee Members	1, 2, 3
Consultants/New Positions	*

~~[±]Positions currently filled by outside consultants who serve in a staff capacity.~~

*Consultants/ New ~~p~~Positions ~~shall are be~~ included in the list of designated positions and ~~shall~~ will disclose pursuant to the broadest disclosure category in the ~~e~~Code, subject to the following limitation:

The Executive Director may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director’s determination is a public record and shall be retained for public inspection in the same manner and location as this ~~e~~Conflict of ~~i~~Interest ~~e~~Code (Gov. Code ~~Section §~~81008; ~~2 CCR~~ 18734, subd. (a)).

Positions Subject to Government Code Section 87200

The following positions are NOT covered by this Conflict of Interest Code because they are subject to Government Code Section 87200 and must electronically file their statements of economic interests with the Fair Political Practices Commission. These positions are listed for informational purposes only:

Members of the Board of Directors and Alternates

Executive Director

Consultants involved in the investment of public funds

An individual holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

H. DISCLOSURE CATEGORIES:

Category 1 (Income from Vendors)

A designated employee in this category must report all investments and business positions in business entities and sources of income, including receipt of gifts, loans, and travel payments, from any source that provides leased facilities, services, supplies, materials or equipment of the type utilized by the Agency.

Category 2 (Real Property Within Jurisdiction)

A designated employee in this category must report all interests in real property located in whole or in part within the boundaries of the Agency or within two miles of the Agency, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property.

Category 3 (Income from Sources Subject to Agency Regulation or from Claimants)

A designated employee in this category must report all investments and business positions in business entities, and sources of income, including receipt of gifts, loans, and travel payments, from entities and sources that are subject to the regulatory, permit, or licensing authority of the Agency, or that have filed a claim or have a claim pending against the Agency.



TO: Board of Directors
Agenda Item No. 7ai

FROM: Taylor Blakslee

DATE: September 2, 2026

SUBJECT: Increased Water Use Assessment for Areas Outside the Central Management Area

Recommended Motion

Board feedback requested.

Discussion

An update on increased water use assessment for areas outside the Central Management Area is provided in **Attachment 1**.

Anderson Development provided an Annual Cannabis Water Use Report for 2025, which is provided as **Attachment 2**.

Cuyama Basin Groundwater Sustainability Agency

Increased Water Use Assessment on Areas Outside the Central Management Area

Taylor Blakslee / Brian Van Lienden

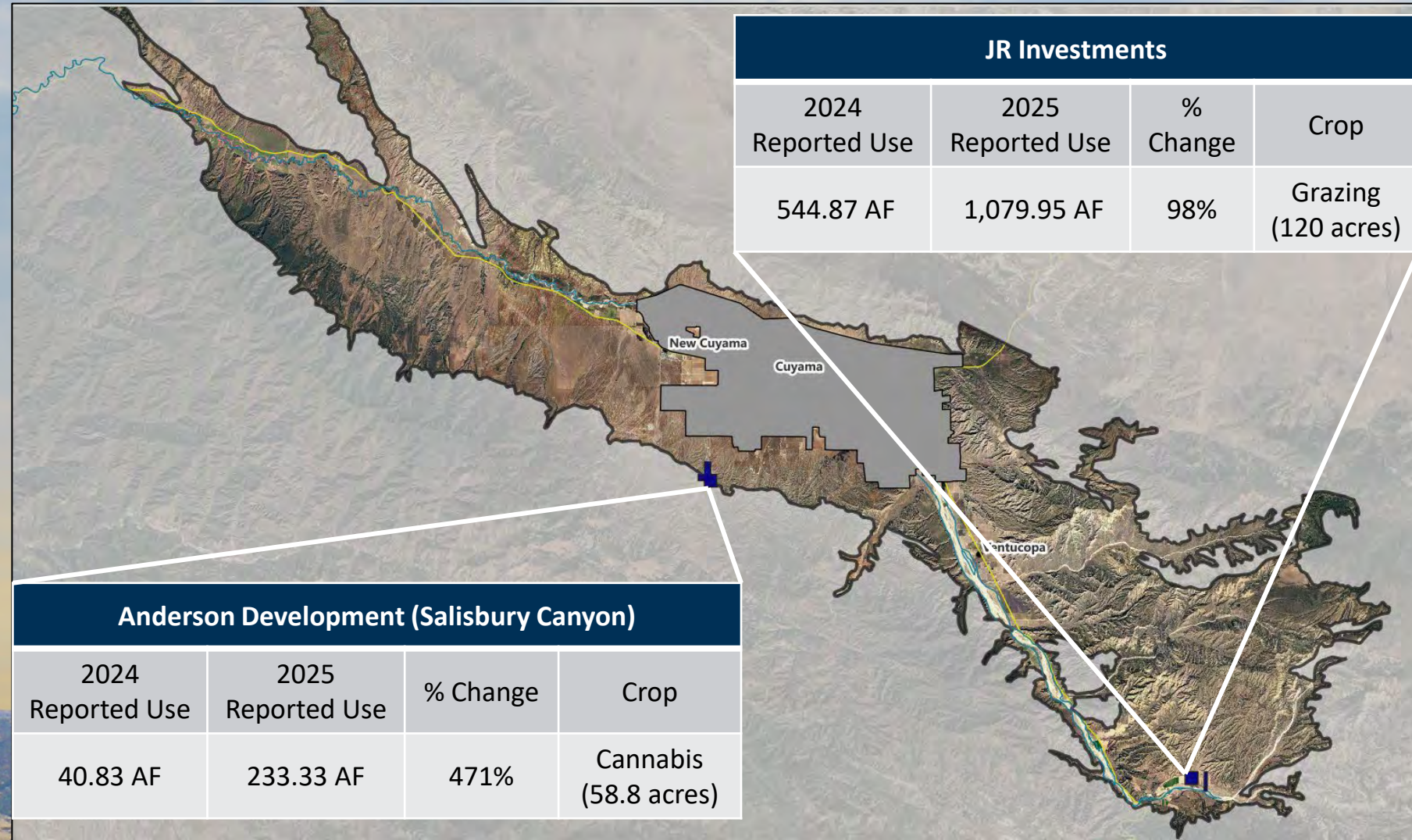


Assessment of Increased Water Use for Areas Outside the Central Management Area | Background

- On July 9, 2025, the CBGSA Board directed staff to prepare a list of options to address new pumping outside the existing management areas.
- On September 3, 2025, staff presented management approaches and the Board directed staff to continue with basin-wide management.
- On November 5, 2025, staff provided an overview of the current water use management in the basin according to the GSP and Board policy.
 - Staff provided a reminder of the Board policy that calls for an annual assessment of water use outside the CMA to determine whether further management and potential localized allocations are needed.
- On January 14, 2026, staff presented the approach to for annually evaluating potential increase water use outside the CMA.
- On May 6, 2026, staff presented an initial assessment, evaluating groundwater pumping, groundwater levels, and land use and well permitting to identify areas where increased use or changing conditions may warrant further review.

Assessment of Increased Water Use for Areas Outside the Central Management Area | Background

- Staff identified two areas with significant increases in reported groundwater use, as shown on the map.
- The Board directed staff to proceed the detailed assessment process for these two areas with ongoing updates to the Board.



Assessment of Increased Water Use for Areas Outside the Central Management Area | Update

- JR Investments
 - Staff is in contact and working with the landowner to confirm the accuracy of the increased use.
 - The landowner provided historical energy use records and staff has requested pump test data to evaluate the increased water use.
- Anderson Development
 - Since the July Board meeting, staff is in contact and working with a landowner representative regarding their water use/development.
- **Next steps:** Staff will run a model scenario to determine impacts to groundwater levels, as described on the following slide.

Proposed Modeling Approach for Assessment of Increased Water Use for Areas Outside the Central Management Area

- A modeling scenario will be developed using the existing 50-year Baseline scenario
- Proposed modeling approach
 - **Anderson Development:** add a cannabis crop type, with water use based on their 2025 reported pumping
 - **JR Investments:** Implement increased pumping that reflects their 2025 reported pumping; this will likely require implementing an exception that increases the pumping level beyond what is estimated by the model's current crop demand based approach
- Modeling will be completed and results reported at the November 2026 Board meeting
- Modeling results will include:
 - Estimated groundwater level changes in the vicinity of these properties
 - Evaluation of potential changes to 2 feet/year contours in the surrounding area

Annual Cannabis Cultivation Water Use Report for 2025

Prepared by:

Anderson Development SB, LLC

Submitted to:

Santa Barbara County

Cannabis Water Advisory Committee (CVCAC), Technical Advisory Committee (TAC)

Cuyama Basin Groundwater Sustainability Agency

August 5, 2026

TABLE OF CONTENTS

Executive Summary.....3

Section 1: Introduction4

Section 2: Farm Overview4

 2.1 Location and Permits4

 2.2 Buildout and Cultivation Area.....4

 2.3 Sustainable Practices.....5

 2.4 Contact Information5

Section 3: Water Conservation Measures5

 3.1 Well Optimization (Domestic Well)5

 3.2 Well Optimization (Agricultural Well)6

 3.3 Efficient Irrigation Strategy6

 3.4 Soil Management6

 3.5 Evapotranspiration (ET) Reduction Strategies.....6

Section 4: Water Use Monitoring and Reporting.....7

 4.1 Metering7

 4.2 Quarterly Water Consumption7

 4.3 Crops Grown8

 4.4 Landscaping.....8

 4.5 Other Water Usage.....8

Section 5: Annual Water Duty8

Section 6: Neighboring Wells 10

Section 7: Offset Compliance9

Section 8: Attachments **Error! Bookmark not defined.**

Executive Summary

This Annual Cannabis Cultivation Water Use Report is submitted by Anderson Development SB, LLC (Anderson) pursuant to the July 2021 Cuyama Cannabis Guidelines Agreement. The report provides a comprehensive accounting of water use, conservation measures, and offset compliance for cannabis cultivation operations conducted during calendar year 2025 on Salisbury Canyon Ranch located at 100 Salisbury Canyon Road, New Cuyama, CA 93254 (APN 149-140-104) (Property).

During 2025, Anderson cultivated approximately 58.8 acres of cannabis and pumped approximately 233 acre-feet (AF) of groundwater from its agricultural well for irrigation and landscaping (“Project”). The company has committed to offsetting 100% of the groundwater used for the project, consistent with the sustainability objectives established by the Cuyama Cannabis Guidelines Agreement.

Section 1: Introduction

This report is submitted in compliance with the requirements of the July 2021 Cuyama Cannabis Guidelines Agreement (“Agreement”), which establishes water use reporting and offset obligations for cannabis cultivation operations within the Cuyama Valley Groundwater Basin.

The Agreement was developed to address the potential impacts of cannabis cultivation on the Cuyama Valley Groundwater Basin, which is subject to sustainable groundwater management under the Sustainable Groundwater Management Act (“SGMA”), and more recently a comprehensive groundwater adjudication. (See *Bolthouse Land Company, LLC; Bolthouse Farms, Inc.; Grimmway Enterprises, Inc; Diamond Farming Company; Lapis Land Company; Ruby Property Holding, LLC v. All Persons Claiming a Right to Extract or Store Groundwater in the Cuyama Valley Groundwater Basin* (No. 3-013) (Caso No. BCV-21-101927.) Under the Agreement, cannabis cultivators are required to submit annual water use reports detailing total groundwater consumption, conservation measures implemented, and compliance with groundwater offset requirements.

Anderson submits this report to Santa Barbara County, the Cannabis Water Advisory Committee’s (“CVCAC”) Technical Advisory Committee (“TAC”), and the Groundwater Sustainability Agency (GSA) for the 2025 reporting year—January 1, 2025 to December 31, 2025.

Section 2: Farm Overview

2.1 Project Location and Permits

Location: 100 Salisbury Canyon Road, New Cuyama, CA 93254

Assessor Parcel Number (APN): 149-140-104

Land Use Permit: No. 21LUP-00000-00025 (approved November 2021; amended April 16, 2024).

2.2 Buildout and Cultivation Area

At full buildout, the Project will encompass approximately 179.9 acres of total project area, within which outdoor cannabis cultivation and 0.334 acres of landscaping will occur. The

total project area includes cultivation rows, access roads, fences, wildlife corridors, and agricultural infrastructure. Accordingly, the Project, even at buildout will not involve the cultivation of 179.9 acres of continuous cannabis canopy. Rather, only a portion of the total project area will be actively cultivated, with the remainder dedicated to operational infrastructure, habitat connectivity, and other non-cultivated uses.

During the 2025 growing season, Anderson cultivated approximately 58.8 acres of cannabis. The landscaped area totaled approximately 0.34 acres; some of which was installed in 2025, with additional landscaping installed in July 2026. Once the landscaping is established, no additional water will be required to maintain the landscaping because it consists of native plants that thrive in arid conditions (California Flannel Bush, Manzanita, Coffeeberry, Toyon, and Lemonade Berry).¹

2.3 Sustainable Practices

Anderson is committed to implementing sustainable agricultural practices that minimize groundwater consumption while maintaining productive cannabis cultivation. The company employs a combination of well optimization, efficient irrigation technology, soil management practices, and evapotranspiration reduction strategies, as described in detail in Section 3 of this report.

2.4 Contact Information

Anderson Development SB, LLC

175 North Lenore Ave.

Willits, CA 95490

Attn: Micah Anderson

Email: micah@leefca.com

Section 3: Water Conservation Measures

Anderson has implemented the following water conservation measures to reduce groundwater consumption and promote sustainable water use on the property:

3.1 Well Optimization (Domestic Well)

The domestic well (DOM) was originally established in 1987 and was reconditioned in November 2024 with a high-efficiency pump and motor replacement. This well is used for

¹ See LUP Landscape Plans.

domestic purposes and for supplying water to cattle and horses on the property. Groundwater pumped from the domestic use is reported to the GSA and is not used for the cannabis operations. (See Exhibit 1.)

3.2 Well Optimization (Agricultural Well)

The agricultural well (AG) (#WP0004673) was established in January 2024 and was re-optimized in September 2025 with the installation of a new low-flow, high-efficiency pump and a Variable Frequency Drive (VFD). The VFD allows the pump to adjust its speed based on demand, reducing energy consumption and minimizing unnecessary groundwater extraction.

3.3 Water Conservation and Efficient Irrigation Methods

Beginning in July 2025, Anderson installed new low-flow drip tape technology (which was not available to install for its first crop in April 2025, but will be used going forward). This system provides slow, measured water application that is precisely matched to the soil absorption rate, minimizing runoff and deep percolation losses while ensuring optimal plant uptake.

3.4 Soil Management

Anderson employs comprehensive soil management practices including the application of bio-correct compost, intercrop planting of beneficial species, and the use of cover crops. These practices improve soil structure and water-holding capacity, reduce irrigation demand, and promote long-term soil health.

3.5 Evapotranspiration (ET) Reduction Strategies

Beginning in July 2025, the farm started utilizing highly reflective, shrink-formed, heat-reducing bed row mulch (white in color). This mulch significantly reduces soil surface evaporation and moderates soil temperature, resulting in improved water retention and reduced overall irrigation requirements. Anderson will continue to use this water conserving mulch in its future operations.

Section 4: Water Use Monitoring and Reporting

4.1 Metering

All groundwater extraction is metered using calibrated flow meters installed on the agricultural and domestic well. The agricultural well is equipped with a ML100 McCrometer Meter with Flow Meter serial number: 23-09280. Meter readings are recorded monthly and reconciled with quarterly reporting requirements. Anderson reports its water use to the GSA. (See Exhibit 1.)

4.2 Quarterly Water Consumption

The following table summarizes quarterly water pumped and consumed for the two cannabis crops cultivated during the 2025 reporting year:

2025 Quarter	Irrigation Water (AF) (pumped from ag well based on meter readings)	Consumptive Use (AF)²	Landscaping Water (AF) (pumped from well based on meter readings)
Q1	0	N/A	0.889
Q2 (Crop 1)	60.032	50.727	0
Q3 (Crop 2)	89.385	75.53	0
Q4 (Crop 2)	46.054	38.915	0
Total	232.441	198.103	0.889

² In Cuyama Valley, tomatoes have a crop factor of 2.2 AF/acre. This is the closest reported crop to cannabis. To ensure the plant receives a sufficient amount of water, 3.34 AF/acre must be applied to the crop, based on a gross conversion factor of 1.52. (2.2 AF/acre * 1.52 = 3.34 AF/acre). (See Form I Irrigator Water Use Estimate Worksheet, Cuyama Basin Groundwater Sustainability Agency, [https://cuyamabasin.org/assets/pdf/CBGSA-Water-Use-request-forms_\(F,I,M,D\).pdf](https://cuyamabasin.org/assets/pdf/CBGSA-Water-Use-request-forms_(F,I,M,D).pdf).) Because 3.953 AF was pumped from the well to irrigate each acre of cannabis (2 crop cycles) and the consumptive amount of the plant is estimated to be 3.34 AF, a 0.845 factor is applied per acre of water pumped from the well to calculate the consumptive amount of the plants.

4.3 Crops Grown

Cannabis Strains: Variety of auto flower strains were planted in the Spring (April to June); and a variety of photo sensitive strains were planted in the Fall (July to Nov.).

Cannabis Cultivated Area: 58.8 acres

4.4 Landscaping

Landscaped Area: 0.34 acres

Total Landscaping Water Use: 0.889 AF

4.5 Other Water Usage

Other water usage on the property (including domestic use and livestock watering) totaled less than 2 AF for the 2025 reporting year. Domestic water use was reported to the GSA. (See Exhibit 1.)

Section 5: Annual Water Duty

The following table summarizes the total annual water duty by category for the 2025 reporting year which consisted of two cannabis crops:

Category	Total Volume (AF)/acre
Cannabis Irrigation (pumped from well)	3.953 AF/acre (for 2 crop cycles)
Consumptive Use (used by plant)	3.34 AF/acre (for 2 crops cycles)
Landscaping	2.614 AF/acre
Other Water Usage (domestic/livestock)	Less than 2

Total Groundwater Pumped on APN 149-140-104: A total of 233.33 acre-feet (AF) of groundwater was pumped during Year 1 (2025) to support two cannabis cultivation cycles. Anderson anticipates that water use will decrease over time as irrigation practices continue to be refined and optimized. Operational experience gained during the 2025 growing season has informed improved irrigation management strategies that are being

implemented in subsequent years to increase water-use efficiency and reduce overall demand.

Section 6: Neighboring Wells

Pursuant to the Agreement, Anderson commissioned a Comprehensive Hydrologic Evaluation prepared by Numeric Solutions. (See Exhibit 2.) The evaluation identified only one well within 2,000 feet of the Project's agricultural well. That neighboring well is located approximately 730 feet from the Project's agricultural well. Since Project pumping commenced in 2025, Anderson has not received any complaints from the neighboring well owner regarding well interference or pumping-related impacts. In addition, a monitoring well operated by the GSA and located near the Project (OPTI Well #325) indicates that groundwater levels in this area recover seasonally and have remained above all applicable SGMA thresholds (i.e. measurable objective), including throughout the period following the start of Project pumping in 2025.

Section 7: Offset Compliance

Pursuant to the Agreement, Anderson is required to offset groundwater use associated with cannabis cultivation activities.

2025 Groundwater Pumped by Project for two cycles of cannabis crops: 233.33 AF

Offset Commitment: Anderson has committed to offsetting 100% of groundwater used for the project. The Project is located within the Central Threshold Region of the Basin (Central Threshold Region), not the Central Management Area. Therefore, the Project is not subject to the GSA's pumping reductions.

In June 2024 Anderson entered into an agreement to purchase 345 AF of water offset credits from 450 TO CUYAMA LLC (APNs 149-150-023 and 149-160-037). ("Offset Source Parcels.") Thus, Anderson purchased 345 AF of water credits and used 233.33 AF in 2025 based on its well flow meter readings. Accordingly, Anderson has a remaining balance of 111.67 AF of water credits pursuant to this agreement that will be used in 2026, along with additional purchased credits.

Kear Groundwater prepared a technical report to analyze the offset source (Exhibit 3) that found:

"In addition to being situated within the Central Threshold Region broadly (containing the majority of agricultural land use in the basin), the Offset Source Parcels are also located adjacent to the heavily-impacted Central Basin Management Area...The following of water-

intensive agricultural land at the Offset Source parcels occurred in the threshold region with broadly declining water levels and immediately adjacent to its heavily overdrafted management area. A basin-wide net benefit of decentralization is realized by removing extraction from a more intensely pumped area and offsetting that use within the same Threshold Region, but within a more stable portion of the basin.”

Section 8: Attachments

The following documents are submitted as attachments to this report:

1. Exhibit 1: GSA Reporting (Metering Records)
2. Exhibit 2: Comprehensive Hydrology Evaluation
3. Exhibit 3: Offset Report



TO: Board of Directors
Agenda Item No. 7aii

FROM: Taylor Blakslee, allmar Group

DATE: September 2, 2026

SUBJECT: Direction on Improvements to the Allocation Exchange Program

Recommended Motion

Board feedback requested.

Discussion

On November 5, 2025, Board approved the Allocation Exchange Policy as a one-year pilot program, and directed an ad hoc to evaluate a variance pool proposed by small farmers and assess pilot effectiveness. The adopted policy is provided as **Attachment 2**.

An update on the potential improvements to the allocation exchange program and ad hoc recommendations are provided in **Attachment 1**.

Cuyama Basin Groundwater Sustainability Agency

Direction on Improvements to the Allocation Exchange Program



Current Allocation Exchange Pilot Program

- On November 5, 2025, the Board adopted a one-year water allocation/exchange pilot program.
- The primary components include:

Trading System	Landowner Eligibility	Trade Limitations	Approval Process	Administration/Tracking
• Free Market: landowner to landowner, landowner sets price, GSA involved only to confirm seller has the water to sell and record sale.	• Landowner be within the 2025-2029 CMA + Farming Units • Landowner must be in good standing with the GSA (no outstanding fee or penalty owed and up to date on all applicable reporting requirements).	• No hydrogeologic-area restriction, distance limit, or down-gradient-only requirement. • GSA staff review each transfer to confirm it will not cause an exceedance of any MTs as defined in the GSP. • Allow multi-year trades (up to 5 years)	• Staff-administered: review within 30 days to approve, deny, or request more information. • Denial may be appealed to the Board; Board decision is final	• No enrollment fee or per-trade administrative fee. • Use a simple water accounting system (spreadsheet) to track trades and usage.

Background

- As part of the pilot program approval, the Board directed an ad hoc to evaluate potential improvements to the program including a variance pool concept.
- Staff identified potential areas for improvement from:
 - Discussions/comments and Board and SAC meetings.
 - Direct landowner feedback/calls.
 - Correspondence provided by the Small Farmers and Ranchers Network.
- On August 7, 2026, the ad hoc (Directors Young, Yurosek, and Stakeholder Tristan Zannon) met to discuss potential improvements to the program, which are outlined, along with the ad hoc recommendation, on the following slide.

Ad Hoc Recommendation

No.	Stakeholder Feedback	Description / Ad Hoc Direction Requested	Ad Hoc Recommendation
1	Identifying/Contacting Sellers	Do you want staff to develop solutions to this issue?	Simple opt in-process for sellers. Staff maintains list for any CMA buyers that request it.
2	Allocation Exchange Deadline	The policy does not specify when allocation exchanges need to be completed by. Should exchanges be allowed up until reported to the Board each March, or completed by December 31 st if single year exchange?	Allow trades up to mid-February of the following year.
3	All Farming Unit Participants Required to Sign-off on Exchanges	Do you want to address this policy point again with the full Board?	No change.
4	Stakeholder Representation in Exchange Policy Development/Adjustments	Is the current process of evaluating improvements to the policy with the ad hoc and SAC and Board adequate stakeholder representation?	Continue the current process, which includes a stakeholder on the ad hoc.
5	Small Pumper Consideration (i.e. Variance Pool Concept)	Do you want staff to provide feedback on what other GSAs are doing and/or develop options for ad hoc consideration?	Reconsider following decisions on carryover policy.
6	Small Farmer and Rancher Network Letter (10-1-25)	Do you want to reconsider any points from the letter?	Board previously considered and addressed these policy points.
7	Others program improvements?	Are there other program improvements the ad hoc would like staff to consider?	Consider penalty fee tiers.

Direction on Allocation Exceedance Penalty Fee

- An ad hoc member requested that the board reconsider the approach for setting the Allocation Exceedance Penalty fees.
- Does the SAC/Board want staff to provide alternative penalty fee structures and agendize for action at a subsequent meeting?

Current Fee Structure

Penalty Fee Tier	Percent Over Allocation
Tier 1: \$250/AF	0-5% Pumping over allocation
Tier 2: \$500/AF	>5% Pumping over allocation

Board Discussion and Feedback

- Board direction requested:
 1. Move the ad hoc recommendation
 - . Provide other feedback/recommendations

**RULES AND REGULATIONS FOR
THE TRANSFER OF GROUNDWATER ALLOCATIONS**

Adopted: January 1, 2026

ARTICLE I GENERAL PROVISIONS

1.01 Authority. The Cuyama Basin Groundwater Sustainability Agency (**GSA**) may adopt rules, regulations, ordinances, and resolutions for the purpose of implementing the Sustainable Groundwater Management Act (**SGMA**), in compliance with any procedural requirements applicable to the adoption of such rule, regulation, ordinance, or resolution by the GSA. (Wat. Code, § 10725.2, subd. (b).)

1.02 Purpose. The purpose of these Rules and Regulations is to provide for the sustainable management of groundwater within the boundaries of the GSA.

1.03 Groundwater Sustainability Plan. The intent of these Rules and Regulations is to implement the provisions of the GSA's Groundwater Sustainability Plan (**GSP**). These Rules and Regulations may be amended at any time, as deemed necessary by the GSA's Board of Directors (**Board**), to achieve consistency with that GSP and groundwater sustainability within the GSA's boundaries.

1.04 Effective Date and Amendments Hereto. These Rules and Regulations shall become effective upon adoption by the Board, and may be added to, amended and/or repealed at any time by later resolution of the Board with any such additions, amendments, and/or repeals becoming effective upon adoption of the resolution, or as otherwise specified by the Board. However, adoption of these Rules and Regulations will not affect the effective date of any of the GSA's policies existing as of the date the Board adopts these Rules and Regulations.

1.05 Actions Against the GSA. Nothing contained in these Rules and Regulations may be deemed a waiver by the GSA or estop the GSA from asserting any defenses or immunities from liability as provided by law, including those provided in Division 3.6 of Title 1 of the Government Code.

1.06 Severability. If any provision of these Rules and Regulations, or the application thereof to any person or circumstance, is held invalid, the remainder of these Rules and Regulations, and the application of its provisions to other persons or circumstances, shall not be affected thereby.

ARTICLE II TRANSFER OF GROUNDWATER ALLOCATION

2.01 Transfer of Groundwater Allocation. A landowner may transfer its groundwater allocation to another landowner, subject to the following terms and conditions:

- a. The transferring-landowner and the receiving-landowner shall each hold title to real property located within the 2025 – 2029 Central Management Area (including those parcels of real property made part of the Central Management Area via the creation of a Farming Unit), as that area is depicted in the map attached hereto and incorporated herein as **Exhibit A**.

- b. The transferring-landowner and the receiving-landowner shall each be in good standing with the GSA. “Good standing” means the landowner does not owe any outstanding fee or penalty to the GSA and is up to date with any and all applicable reporting requirements (e.g., groundwater extraction facility registration; groundwater extraction reporting; etc.).
- c. The transferred groundwater allocation shall be used solely within the Central Management Area.
- d. The transfer shall terminate on or before December 31, 2029.
- e. The transfer shall not cause an exceedance of any Minimum Threshold, as that term is defined within the GSP (as may be amended from time to time) as determined by GSA staff.
- f. The transfer shall be memorialized in writing using the Groundwater Allocation Transfer Form attached hereto and incorporated herein as **Exhibit B** and submitted to the GSA. If the transferring-landowner is party to a Farming Unit, as recognized by the GSA, each landowner party to that Farming Unit must execute the previously mentioned Groundwater Allocation Transfer Form.

2.02 Process. Upon submission of the Groundwater Allocation Transfer Form, the GSA staff shall review the transfer to ensure compliance with these Rules and Regulations. Within 30 days of submission, the GSA staff shall inform the participating landowners of its findings approving the transfer, denying the transfer, or requesting additional information regarding the transfer. If the GSA staff denies the transfer, the participating landowners may appeal the decision to the Board. The Board’s decision shall be final.

2.03 Carryover of Groundwater Allocation Prohibited. If a landowner uses less than its allocation, including any additional amounts received via transfer, during any particular year (i.e., January 1 through December 31), that landowner may not carryover any such unused portion to the next year.

ARTICLE III

ACKNOWLEDGMENT OF THE PARTICIPATING PARTIES

3.01 Acknowledgment of the GSA’s Ongoing Authority. The Board has the authority to implement adaptive management actions at any time based on changing conditions within the Basin. The GSA will continue to monitor representative wells and Basin conditions. If data indicates that a previously approved transfer is contributing to one or more Undesirable Results including, but not limited to, the exceedance of Minimum Thresholds, the GSA may take corrective

action. Such corrective actions include but not limited to restricting pumping, modifying allocations, or suspending future transfers as necessary to protect the sustainability of the Basin.

ARTICLE IV PENALTIES AND FEES

4.01 Failure to Comply. The GSA shall not recognize or otherwise account for any transfer not memorialized using the GSA's Groundwater Allocation Transfer Form and approved by the GSA, as set forth herein.

4.02 SGMA Penalties. Upon violation of any provision of these Rules and Regulations by a landowner, the GSA shall impose a penalty of \$1,000, plus \$100 for each additional day upon which the violation continues if the landowner fails to comply within 30 days after being made aware of the violation by the GSA. Notwithstanding the foregoing, the GSA may petition the Superior Court for a temporary restraining order, preliminary or permanent injunction, or such other equitable relief as may be appropriate. The right to petition for injunctive relief is an additional right to those, which may be provided elsewhere in these Rules and Regulations or otherwise allowed by law.

EXHIBIT A

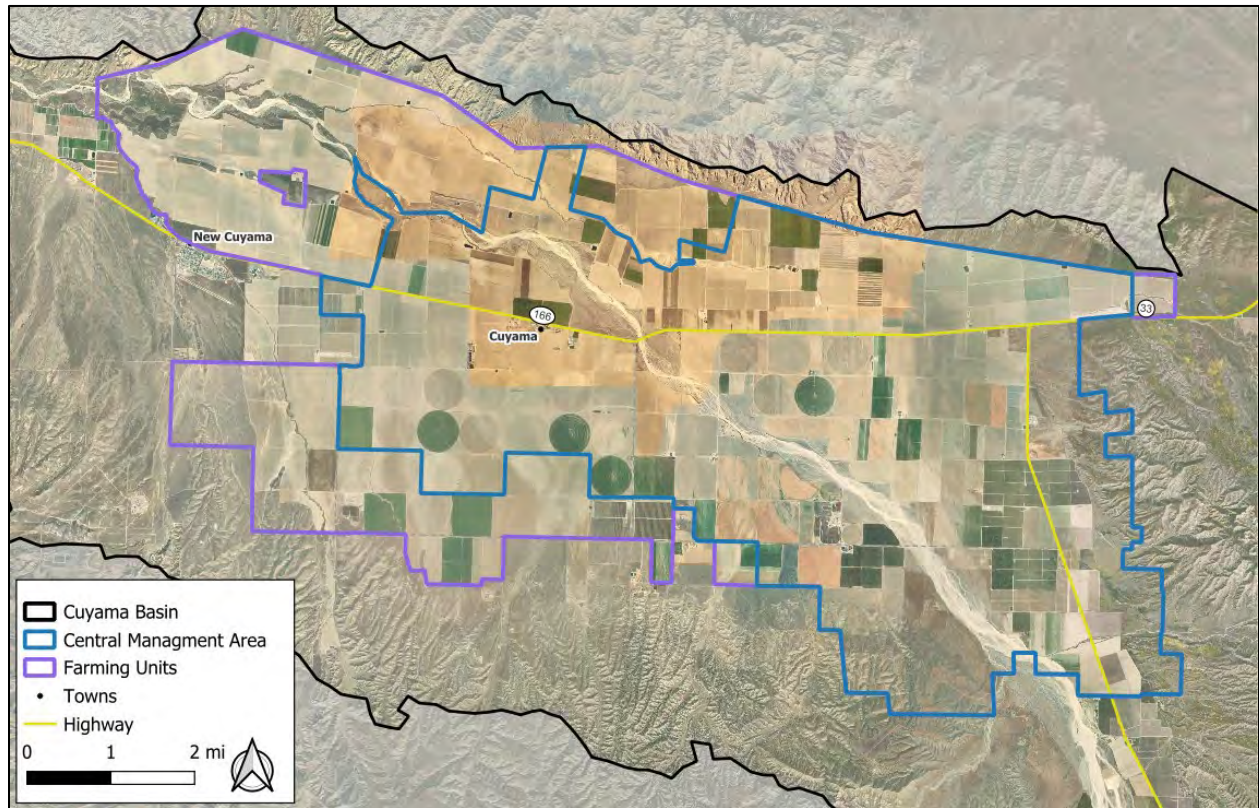


EXHIBIT B
GROUNDWATER ALLOCATION TRANSFER FORM
 (For Landowner Use)

Instructions: If you're interested in transferring a groundwater allocation, complete the following form and submit the signed form to tblakslee@hgcpm.com for CBGSA review. GSA Staff will provide determination regarding transfer requests within 30 days.

Name of Transferring-Landowner: _____

Parcels from which the Allocation is Leaving: _____

Name of Receiving-Landowner: _____

Parcels to which the Allocation is Going: _____

Please refer to the map in Attachment 1 to indicate parcel locations.

Amount of Water Being Transferred: _____

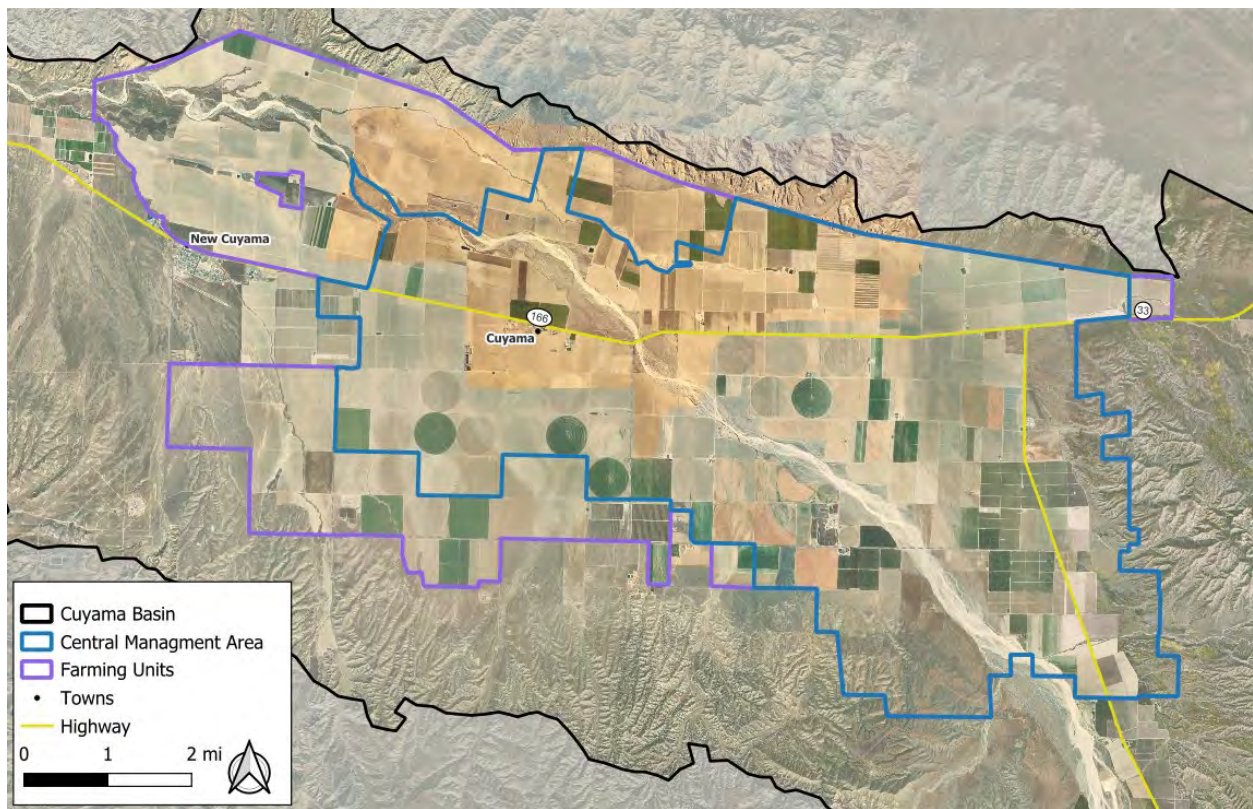
Term of Transfer: _____

Signature of Transferring-Landowner: _____

Signature of Receiving-Landowner: _____

ATTACHMENT 1

Map Instructions: Please indicate with an “X” where the transferred water is leaving and going.



GROUNDWATER ALLOCATION TRANSFER FORM, CONTINUED

(For Cuyama Basin GSA Staff Use)

Name of Transferring-Landowner: _____**Name of Receiving-Landowner:** _____**Date Form Received:** _____

1. Does the transferring-landowner hold title to real property within the CMA?

☐ YES ☐ NO

2. Does the receiving-landowner hold title to real property within the CMA?

☐ YES ☐ NO

3. Is the transferring-landowner in good standing with the GSA?

☐ YES ☐ NO

If "NO," what corrective action is needed on part of the transferring-landowner?

4. Is the receiving-landowner in good standing with the GSA?

☐ YES ☐ NO

If "NO," what corrective action is needed on part of the receiving-landowner?

5. Is the transferred groundwater allocation proposed for use solely within the CMA?

☐ YES ☐ NO

6. Does the transfer terminate on or before December 31, 2029?

☐ YES ☐ NO

7. Will the transfer cause any Undesirable Results?

☐ YES ☐ NO

If "YES," please explain: _____

THIS TRANSFER IS HEREBY:☐ APPROVED☐ DENIED☐ ADDITIONAL INFORMATION/CORRECTIVE ACTION NEEDED: _____



TO: Board of Directors
Agenda Item No. 7aiii

FROM: Taylor Blakslee, Hallmark Group

DATE: September 2, 2026

SUBJECT: Direction on Implementing a Carryover Policy for Areas Subject to Allocations

Recommended Motion

Board feedback requested.

Discussion

An update on the consideration of a potential carryover policy is provided as **Attachment 1**.

Cuyama Basin Groundwater Sustainability Agency

Direction on Implementing a Carryover Policy for Areas Subject to Allocations

Taylor Blakslee



Background

- Since allocations were set in the CMA beginning in 2023, the Board has considered establishing a carryover policy over the last few years.
- While the Board has previously elected not to implement a carryover policy, they directed staff to bring this back up during the current fiscal year for Board consideration.
- On August 13, 2026, the carryover ad hoc (Directors Anselm, Grant, and Jackson) met to provide feedback on whether to implement a carryover policy beginning in calendar year 2027.

Background | What is Carryover?

- Allowing groundwater users to save their unused water allocation (or a portion) from one year and use it in future years.

Purpose: Provide landowners flexibility to manage groundwater use across multiple years and variable conditions.

Potential Landowner Benefits

- **Operational flexibility**
 - Allows landowner to later use groundwater for lands temporarily fallowed (i.e. rotations)
 - Allows any under pumping from one year to offset over pumping in the next year (may avoid over pumping penalties).
- **Financial incentives** – potentially allow market of unused groundwater (would require revision to allocation exchange policy).

Potential Basin Impacts

■ **Overdraft in the CMA**

- No-carryover policy means any unused groundwater, in a given year, is retained in storage instead of being pumped in future years.
- A carryover policy will not have an impact on achieving the 2038 sustainability target, since allocations are the only component of carryover, however, this may result in a greater depletion in groundwater storage.

■ **Sustainable Management Criteria**

- Depending on how a carryover policy is structured, heavy localized pumping in a portion of the CMA may temporarily impact nearby wells.
- This impact would likely be exacerbated in drought conditions if water carried over from multiple years is used in a single year.
- The basin may consider mitigating for this by:
 1. Relying on the adaptive management process which may require temporary pumping restrictions
 2. Only allow carryover water to be used when supported by hydrologic conditions.

Cost to Implement

- Implementation costs likely minimal.
- One-time costs:
 1. Policy development
 2. Develop landowner reporting template
- Ongoing costs:
 1. Annual landowner noticing
 2. Coordination with landowners (as needed)
 3. Annual credit/debit to account for carryover use (excel)

What Are Other Basins Doing?

- No Carryover Currently Allowed
 - Kern County
- GSAs with a Carryover Policy
 - Tri County Water Authority
 - Eastern Tule GSA
 - Mid-Kaweah
 - South Fork Kings GSA
 - Madera County GSA

Key Carryover Components:

1. Sustainable yield must be used first.
2. Carryover in 3 to 5-year rolling periods or blocks.
3. Only the unused sustainable-yield portion allowed to carryover.
4. Transition water not allowed to be carried over.

Carryover of Allocation vs Sustainable Yield

Below is an example of the carryover of a landowner's total allocation compared to carryover of the sustainable yield in the Cuyama Basin.

	A	B	C	D	E	F
	CMA Landowner / Farming Unit	2025 Water Use	2026 Allocations	2038 Sustainable Yield (Projected)	Carryover of Total Allocation	Carryover of Sustainable Yield ONLY
		<i>2025 Landowner-reported water use.</i>	<i>2026 Allocation in Acre-Feet from Current CMA.</i>	<i>Projected sustainable yield based on model version 0.3 and current Central Management Area including Farming Units.</i>	<i>Potential Carryover Based on 2026 Allocation and 2025 Water Use</i>	<i>Potential Carryover Based on Conceptual Sustainable Yield and 2025 Water Use</i>
1	2961 Highway LLC	111	595	216	485	106
2	Ann Buck	116	105	38	-	-
3	CCSH Farms	124	102	37	-	-
4	David Lewis	36	12	5	-	-
5	Duncan Family Farms, LLC	4	140	51	135	46
6	Grimmway Enterprises, Inc	9,774	12,660	4,599	2,886	-
7	Harrington Family Trust	-	15	6	15	6
8	Hoekstra Family Trust	301	797	290	497	-
9	JHP Global/Joo Capital	371	504	183	133	-
10	Kern Ridge Growers, LLC	1,965	1,863	677	-	-
11	Sunrise Olive Ranch, LLC	2,060	1,468	533	-	-
12	Tri-County Pistachio	473	351	128	-	-
13	Triple H Farming, LLC	119	104	38	-	-
14	Wm. Bolthouse Farms, Inc.	10,294	14,416	5,237	4,122	-
15	Other		43	16	43	16
		25,747	33,176	12,053	8,316	173

Ad Hoc Recommendation

- Consider carryover once adjudication is implemented.

Board Direction

Does the Board want to implement a carryover policy for 2027?



TO: Board of Directors
Agenda Item No. 7aiv

FROM: Taylor Blakslee, Hallmark Group

DATE: September 2, 2026

SUBJECT: Direction on Adaptive Management

Recommended Motion

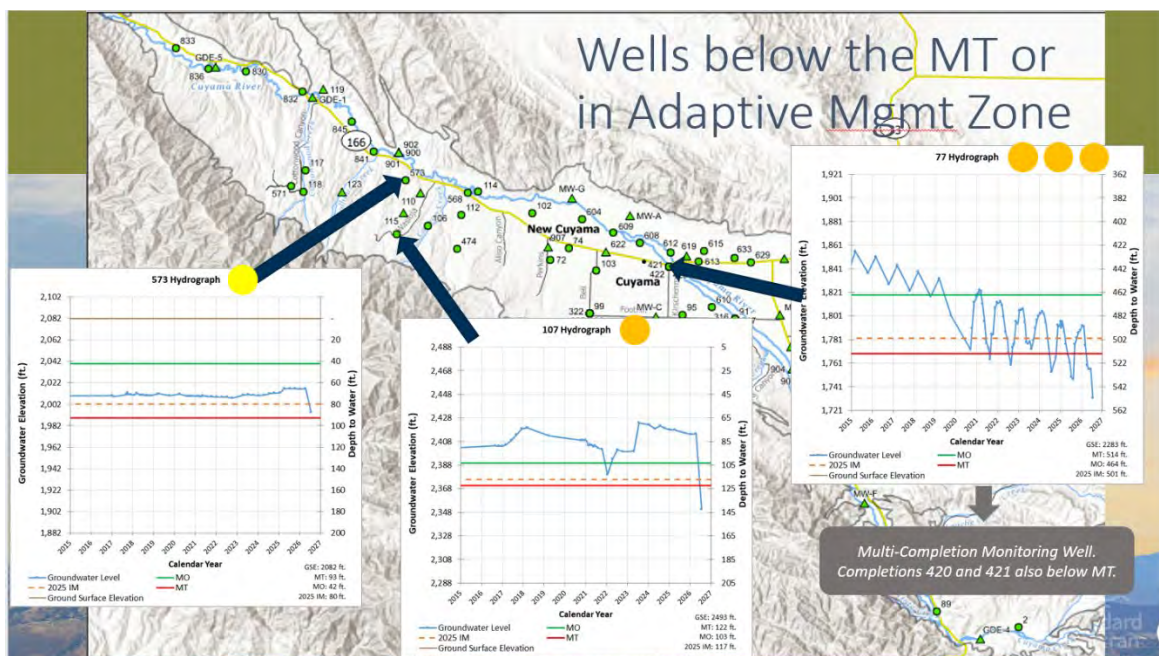
Board feedback requested.

Discussion

On September 3, 2025, the Cuyama Basin Groundwater Sustainability Agency Board adopted the Standard Operating Procedures (SOP) for Implementation of Adaptive Management Strategies, which is provided as **Attachment 1**.

The July Groundwater Conditions report indicates four wells below the minimum threshold (three exceedances are from the same multi-completion monitoring well) and one well is within the adaptive management threshold (10% above the MT).

Per the Adaptive Management SOP, a summary of the monitoring data is provided below and staff is seeking Board feedback on performing additional investigations, per the SOP, for these wells.





Implementation of Adaptive Management Strategies

STANDARD OPERATING PROCEDURES

Purpose:

The purpose of this document is to guide Cuyama Basin Groundwater Sustainability Agency (CBGSA) staff, Board members, and other partners through the process of assessing changes in Basin conditions and developing adaptive management strategies to address those changes. Procedures in this document reflect the guidance language outlined in the 2025 Groundwater Sustainability Plan (GSP).

What Triggers Adaptive Management?

1. If pumping reductions are more than 5 percent off the glide path identified in the pumping allocation plan.
2. If the Basin [well] is within the Margin of Operational Flexibility, but trending toward Undesirable Results, and within 10 percent of the Minimum Threshold (including a minimum threshold exceedance).
3. Reports by stakeholders of Basin conditions that have impacted beneficial uses or users.

GSP Guidance on Adaptive Management

Section 7.6 Adaptive Management:

“If an investigation based on monitoring data and/or stakeholder reporting indicates that groundwater management in the Basin may be adversely affecting beneficial users, the CBGSA Board will determine if a response by the CBGSA is required. This will include the formation of an ad hoc committee to investigate the cause(s) of changing Basin conditions, conducting data analysis, and discussion of potential adaptive management response strategies. If appropriate, the CBGSA will implement response strategies to correct the issue; these strategies could include localized pumping management plans, installation of additional monitoring, installation of replacement wells, potential changes to sustainability criteria or pumping reduction schedule included in the GSP, or other solutions to address specific concerns and Basin conditions.”

Importantly, the Board should determine if changes in Basin conditions will impact “beneficial uses or uses at any nearby active wells or potential groundwater-dependence ecosystems (GDEs)” (GSP Chap 5, p. 5).

Procedural Steps

1. Formation of an ad hoc Committee

- a. Staff to present a summary of the monitoring data and or/ stakeholder report at the Board of Directors Meeting immediately preceding the date of noticing the potential

A achment 1

change in basin conditions. Staff to provide recommendations to the full Board for direction on next steps.

- b. If an Adaptive Management Trigger has been met, and the Board determines that additional investigations are appropriate, then the Board will vote to assign members to an ad hoc committee. The ad hoc committee will meet within 30 days of formation to investigate the cause of the changes in basin conditions. Otherwise, the adaptive management process will be concluded.

2. Investigate

a. Conduct data analysis

- i. During the first ad hoc meeting, staff and the ad hoc committee members confirm the underlying data is correct and reflects actual conditions.

b. Determine the cause of the change in Basin conditions

During the first ad hoc meeting, staff and the ad hoc committee members explore potential causes of Minimum Threshold (MT) exceedances, which could include:

- i. Prolonged drought
- ii. Pumping nearby the representative sites and
- iii. Unreliable and non-representative data used to calculate the MT
- iv. External influences / other (e.g. water use to fight wildfires)

c. Determine if the change in Basin conditions is impacting beneficial uses and users-

During the first ad hoc meeting, staff and the ad hoc committee members outline strategy to determine this by the second ad hoc meeting (within 60 days after formation)

- i. Evaluate potential impacts on nearby wells within the anticipated radius of influence.
- ii. Evaluate potential impacts to nearby groundwater dependent ecosystems.
- iii. Evaluate potential impacts to nearby interconnected surface water.

****** At the BoD meeting immediately preceding the first ad hoc meeting, staff and the ad hoc committee members will present findings from the data analysis process and will present their strategy to determine if the change in Basin conditions are impacting beneficial users.

3. Develop draft adaptive management response strategies

At the second ad hoc committee meeting, members and staff will execute step c. above, and will develop draft adaptive management strategies to address the change in basin conditions.

a. Staff to develop draft adaptive management response strategies, which may include:

- i. Perform additional groundwater level and/or quality monitoring.
- ii. Install replacement wells or deepen existing wells.
- iii. Implement a localized pumping management plan
- iv. Modify sustainability criteria.

A achment 1

- b. At the BoD meeting immediately preceding the second ad hoc committee meeting, members and staff will present draft strategies and develop recommendations for Board consideration.
 - c. Board considers ad hoc recommendation.
- 4. **Implement response strategies to correct the change in Basin conditions**
 - a. Staff to implement Board strategy effective immediately upon Board Direction and Minutes approval.
 - b. Staff to provide regular updates to the Board regarding status of adaptive management strategy implementation.

Adaptive Management Strategy Timeline

Date by	Action	Deliverable	Responsible Party
Day 1- Notice		Potential change in basin condition is noticed by staff or presented to staff	
BoD meeting immediately preceding Day 1 notice (BoD 1)	Staff presents potential change in basin conditions to the BoD BoD assigns members to an ad hoc	Findings and recommendation to proceed with investigation	Staff, BoD
Within 21 days of BoD 1	First ad hoc meeting (Ad Hoc 1) held to conduct data analysis		Staff, ad hoc
BoD meeting immediately preceding Ad Hoc 1 (BoD 2)		Present findings from the data analysis process and present strategies to determine if the change in Basin conditions are impacting beneficial users.	Staff, ad hoc
Within 21 days of BoD 2	Ad Hoc 2 held to determine impacts and to develop adaptive mgmt. strategies		Staff, ad hoc
BoD meeting immediately preceding Ad Hoc 2 (BoD 3)		Present findings from impacts analysis and present draft adaptive management actions for Board consideration	Staff, ad hoc, Board direction
Preceding BoD meetings		Present updates on the status of adaptive management strategy implementation.	Staff, ad hoc

Attachment 1



TO: Board of Directors
Agenda Item No. 8a

FROM: Taylor Blakslee, Hallmark Group

DATE: September 2, 2026

SUBJECT: Report of the Executive Director

Recommended Motion

None – information only.

Discussion

An overview of consultant budget-to-actuals is provided as **Attachment 1**.

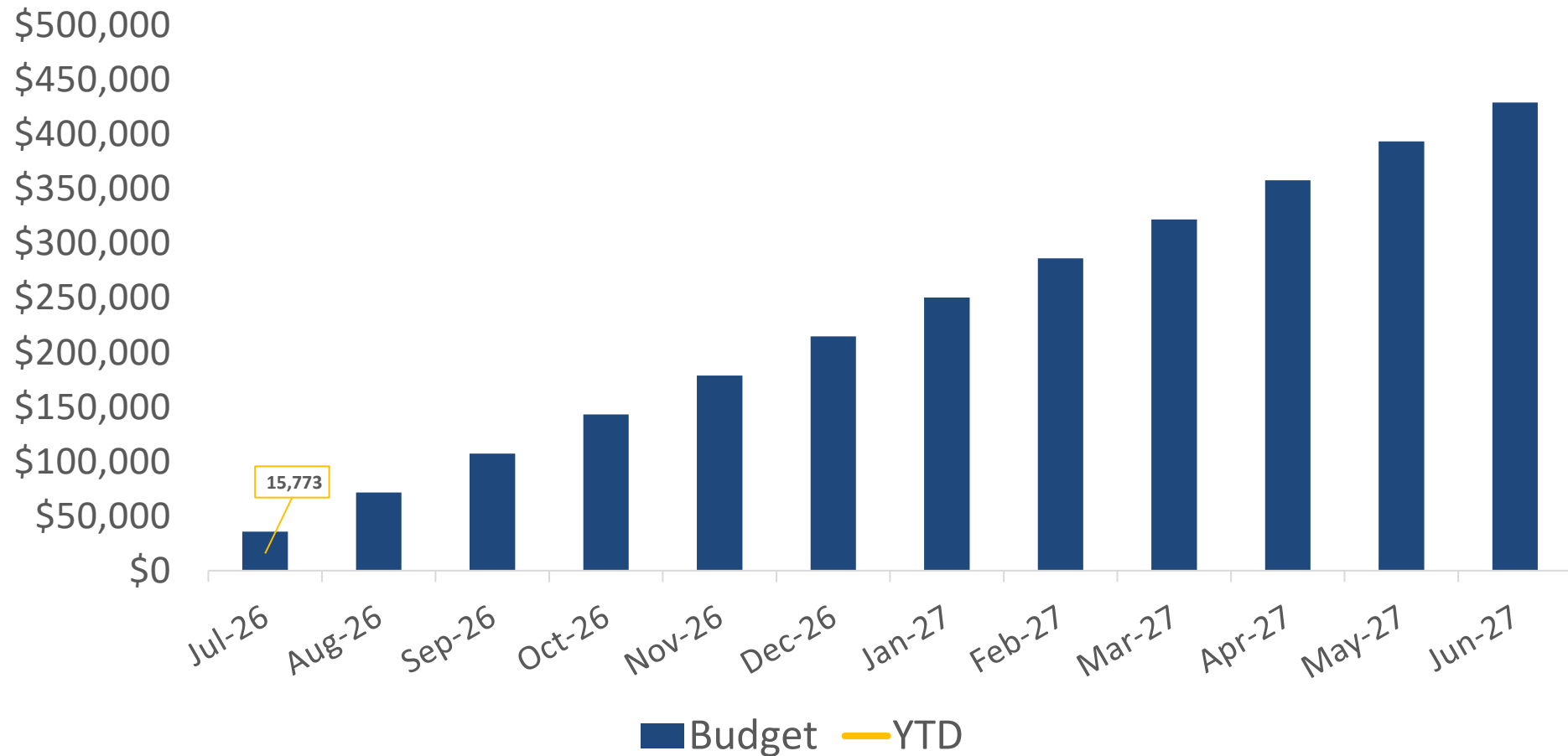
Cuyama Basin Groundwater Sustainability Agency

Financial Report

September 2, 2026

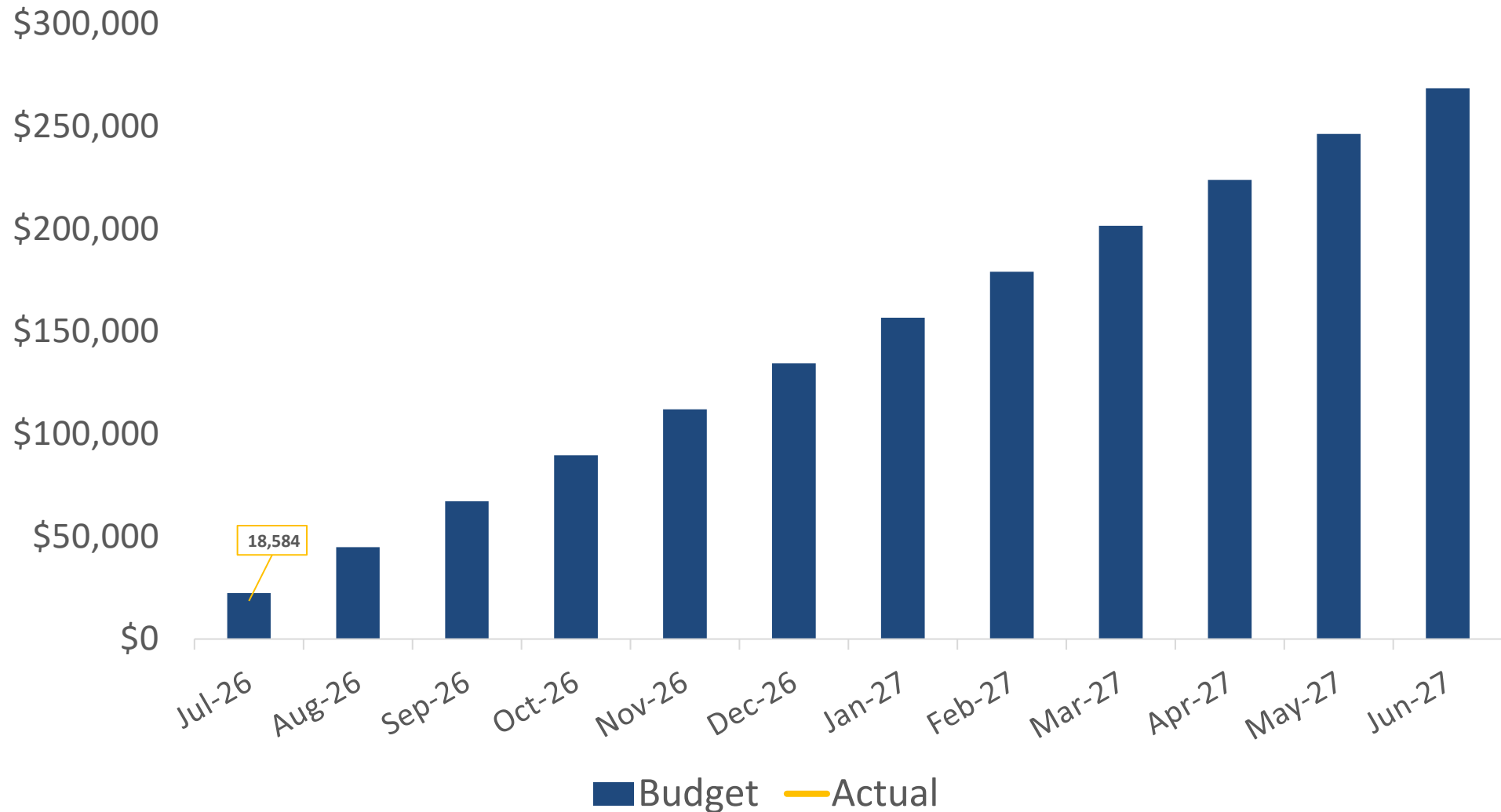
Legal Counsel – Budget-to-Actuals

FY 26/27



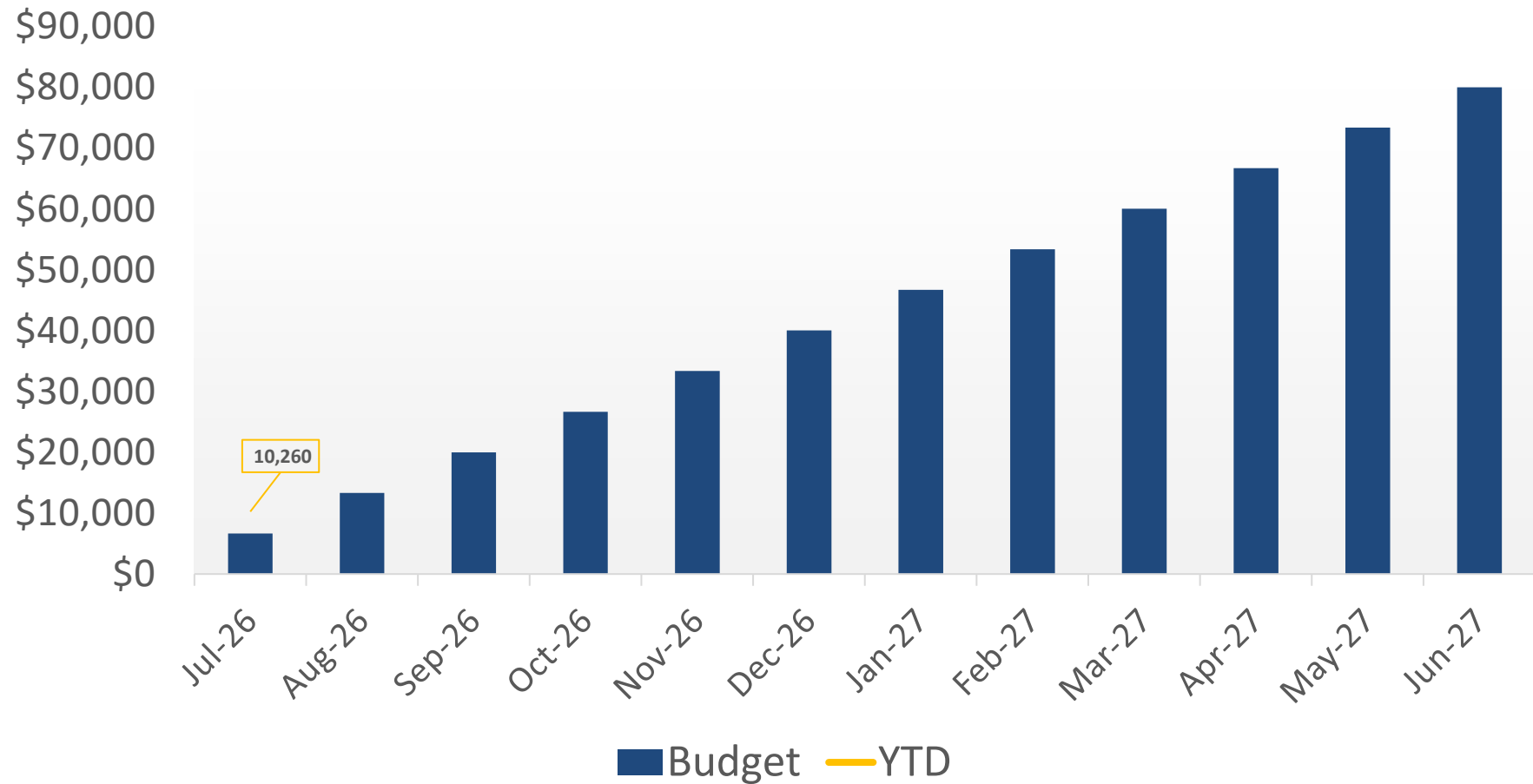
Hallmark Group – Budget-to-Actuals

FY 26/27



Provost & Pritchard – Budget-to-Actuals

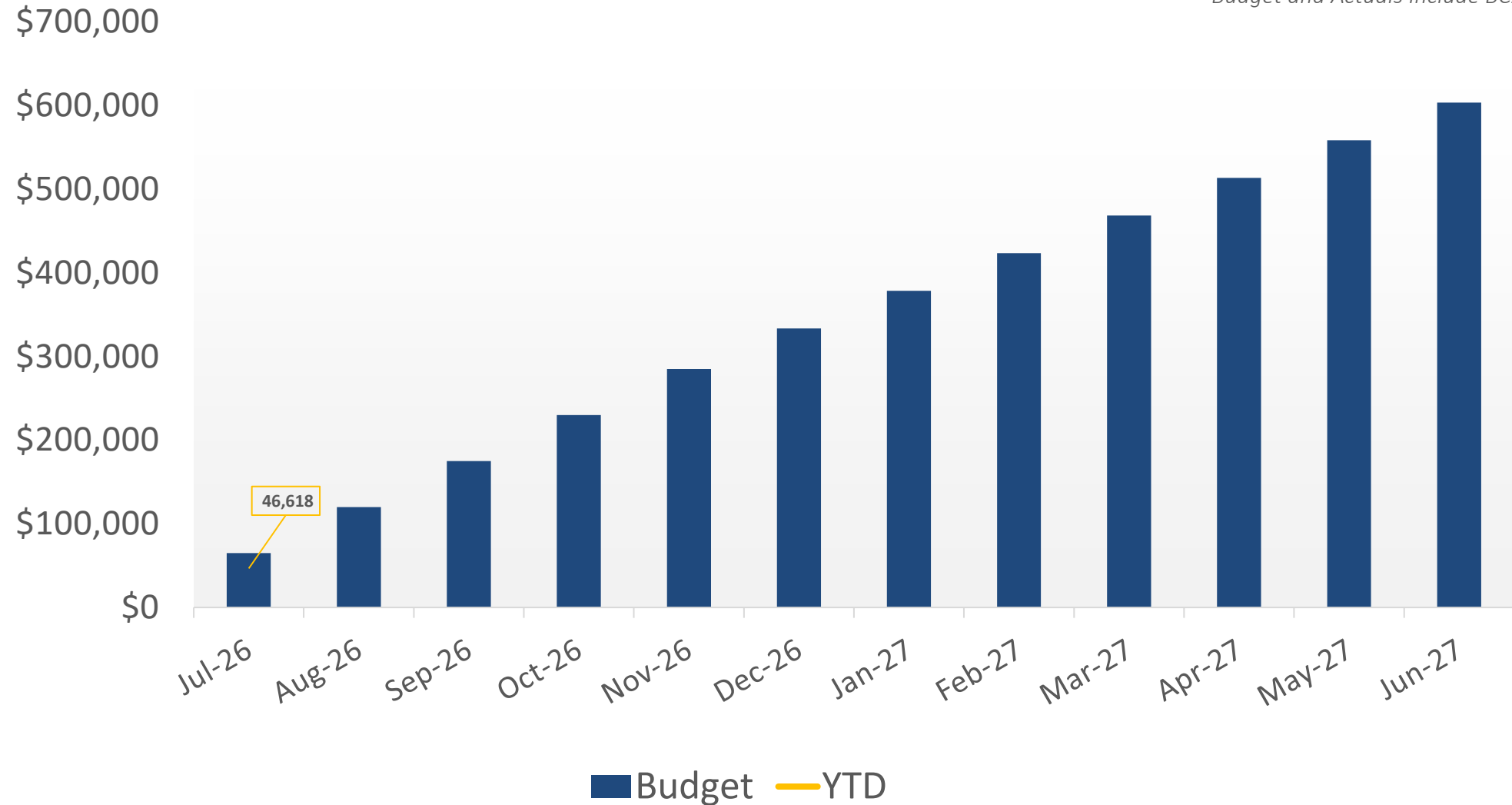
FY 26/27



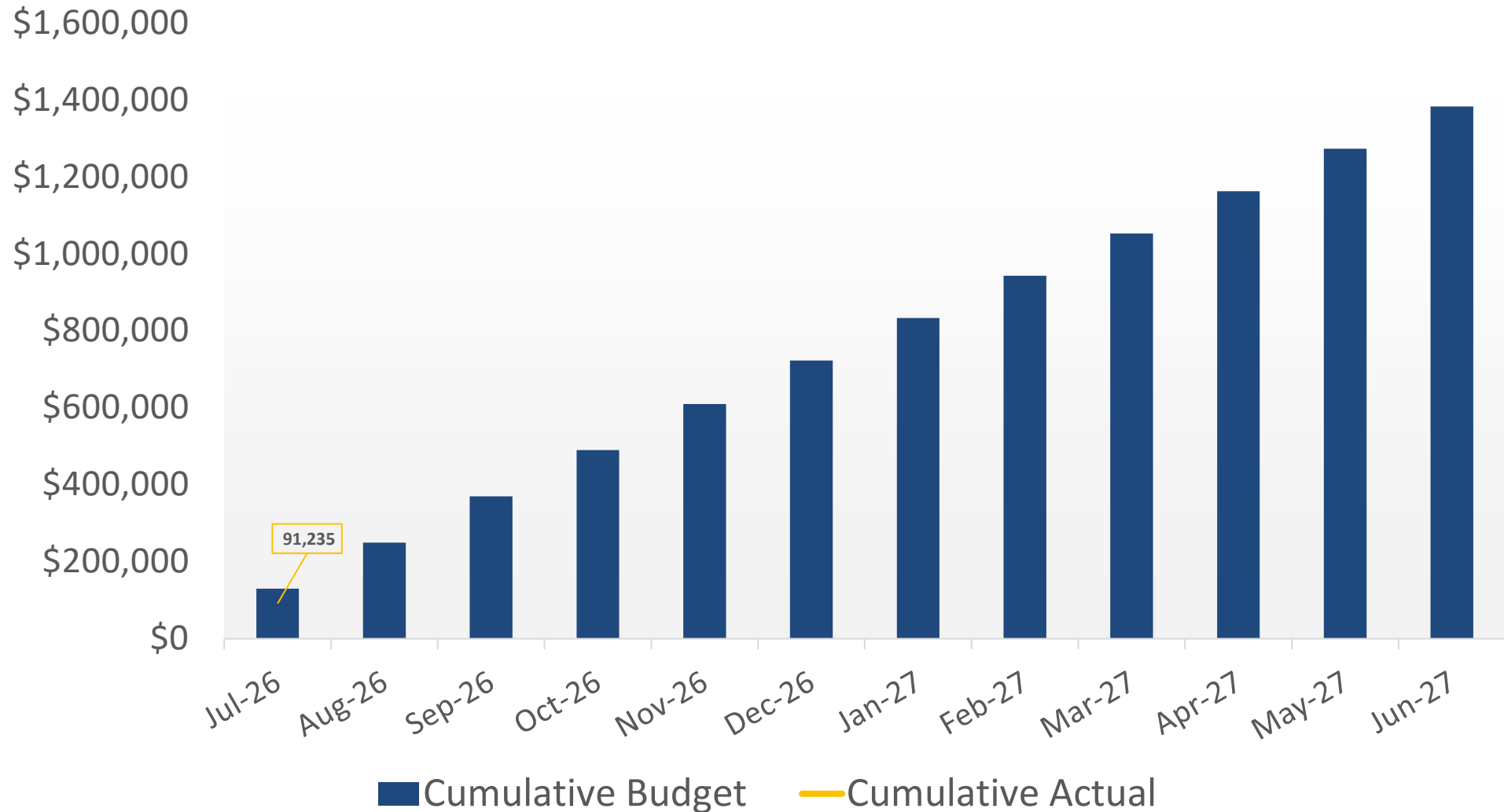
Woodard & Curran – Budget-to-Actuals

FY 26/27

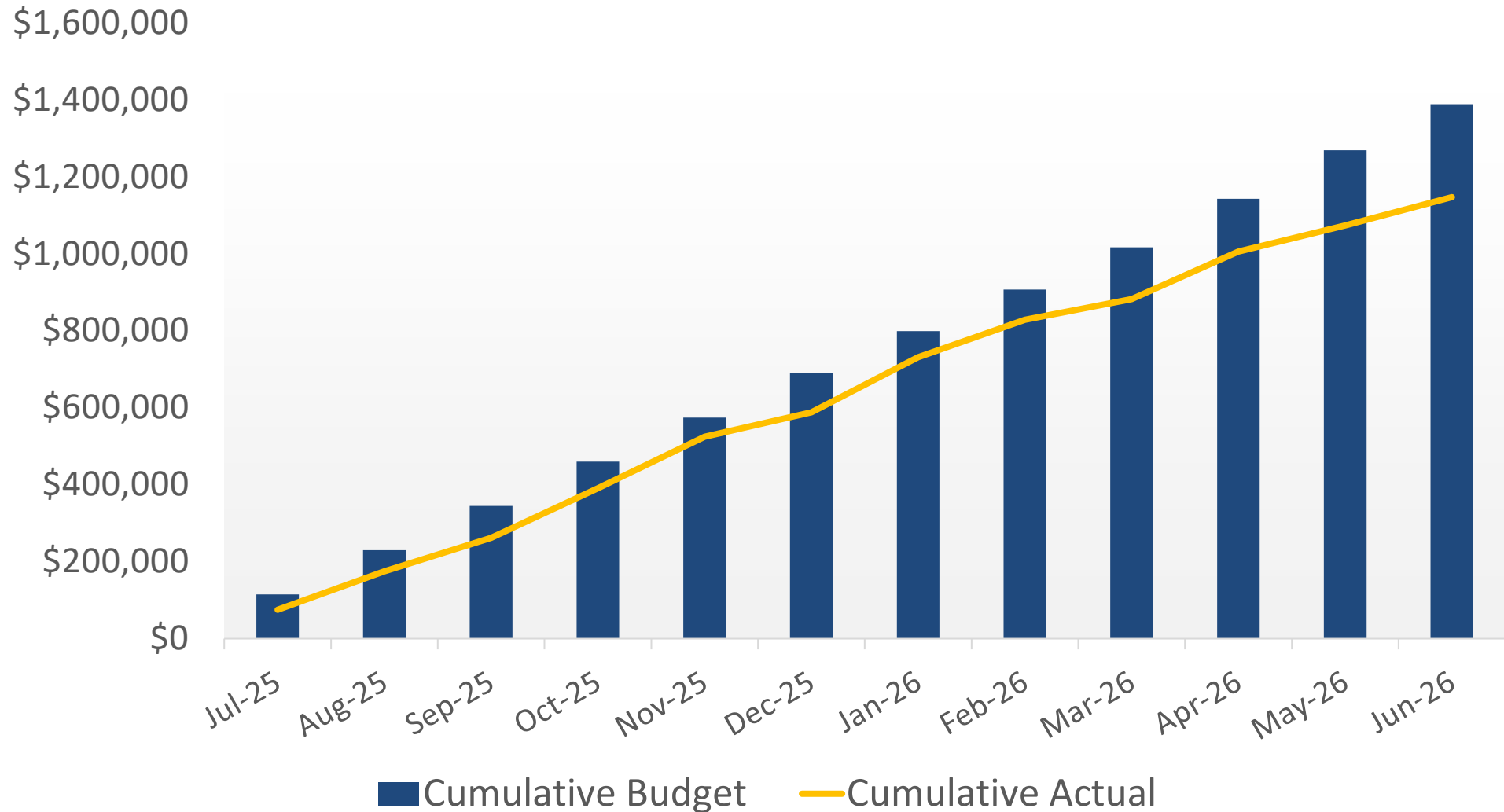
Budget and Actuals Include BC2 Environmental



CBGSA FY 26/27 – Budget-to-Actuals



CBGSA FY 25/26 – Budget-to-Actuals





TO: Board of Directors
Agenda Item No. 9a

FROM: Brian Van Lienden, Woodard & Curran

DATE: September 2, 2026

SUBJECT: Update on Groundwater Sustainability Plan Activities

Recommended Motion

None – information only.

Discussion

Cuyama Basin Groundwater Sustainability Agency (CBGSA) Groundwater Sustainability Plan (GSP) activities and consultant Woodard & Curran's (W&C) accomplishments are provided as **Attachment 1**.

Cuyama Basin Groundwater Sustainability Agency

Update on Groundwater Sustainability Plan Activities

Brian Van Lienden



July-August Accomplishments

- ✓ Developed Groundwater Conditions report for July 2026
- ✓ Performed website and DMS updates
- ✓ Performed initial update to model data to incorporate findings of fault investigations
- ✓ Completed initial development of land use data entry template for the Cuyama Basin DMS
- ✓ Developed potential modeling approach for evaluating increased water use outside of the CMA



TO: Board of Directors
Agenda Item No. 9b

FROM: Brian Van Lienden, Woodard & Curran

DATE: September 2, 2026

SUBJECT: July 2026 Groundwater Conditions Reports

Recommended Motion

None – information only.

Discussion

The quarterly Groundwater Conditions– Cuyama Valley Groundwater Basin July 2026 report is summarized in **Attachment 1**. The detailed July 2026 Groundwater Conditions Report is provided as **Attachment 2**.

Cuyama Basin Groundwater Sustainability Agency

Update on Quarterly Groundwater Conditions Report

Brian Van Lienden

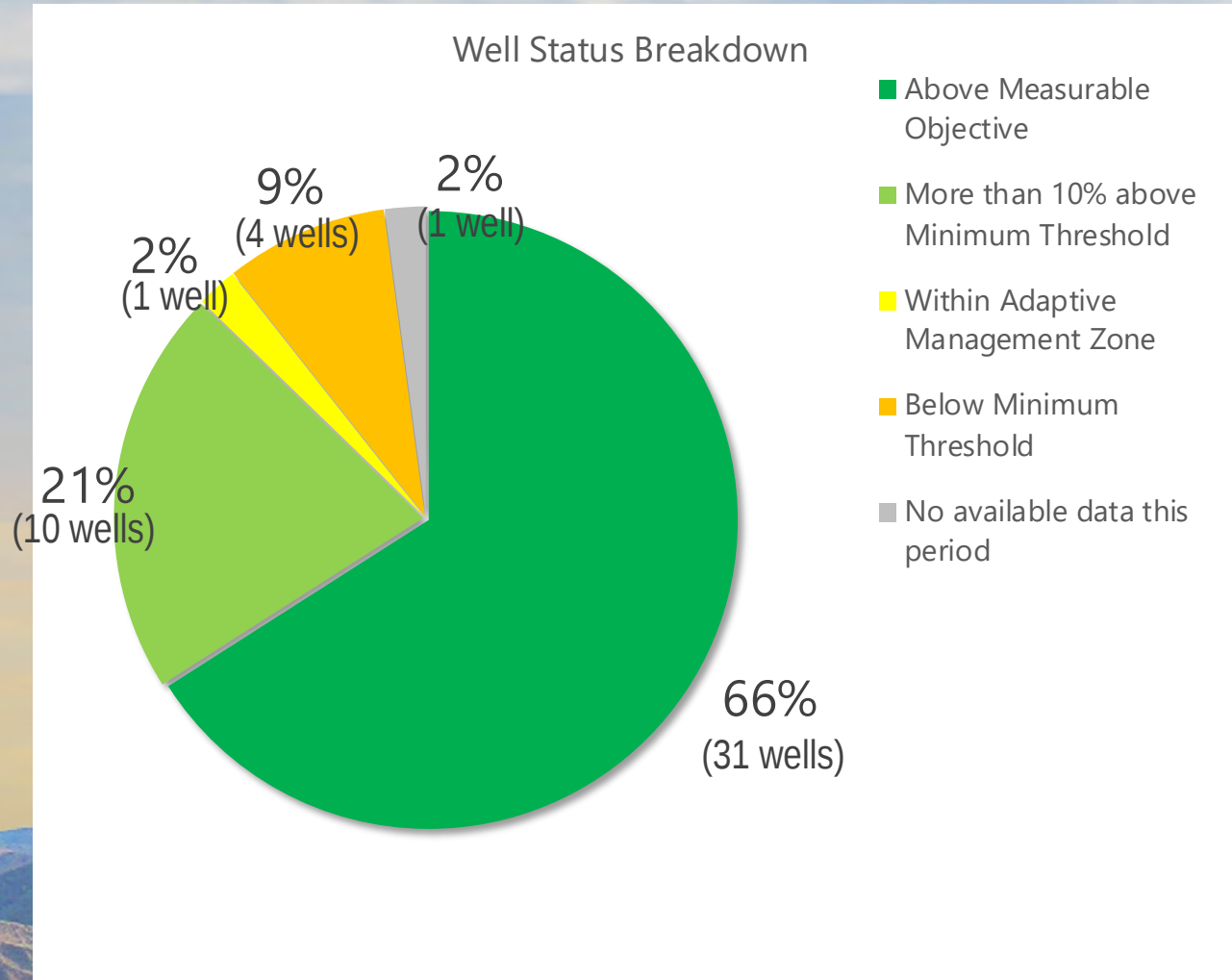


Groundwater Levels Monitoring Network – Summary of Current Conditions

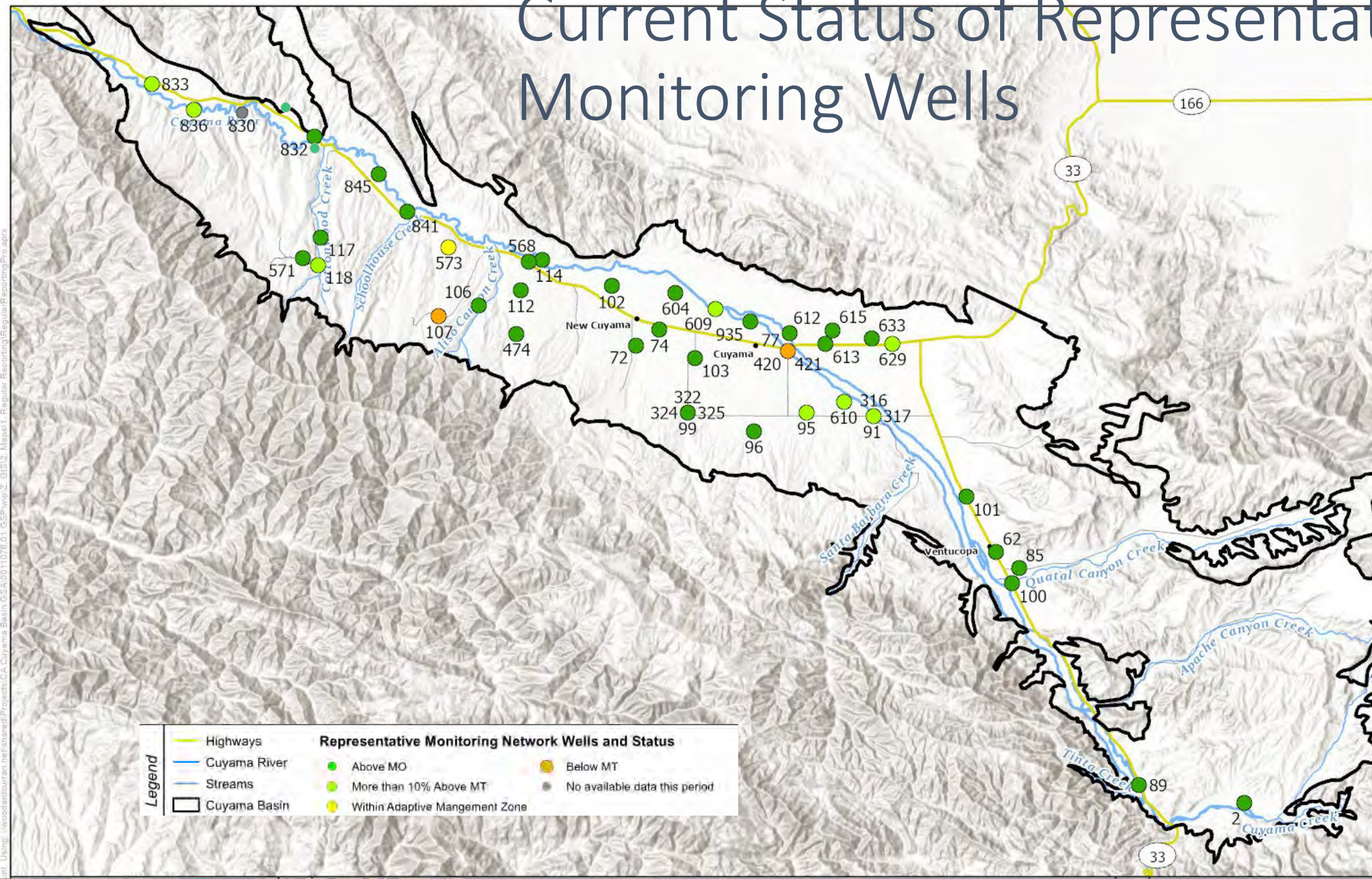
- Monitoring data from January 2026, April 2026, and July 2026 for representative wells is included in the Groundwater Conditions report
- 46 of 47 representative monitoring wells have a measurement this quarter
 - Well Opti# 830 was last measured in July 2024; staff recommends reaching out again to landowner before considering changes to monitoring network
- 4 wells are below the updated minimum threshold based on latest measurement

Summary of Groundwater Well Levels as Compared To Sustainability Criteria

- 4 wells are currently below the updated minimum threshold (MT)
 - 0 wells (0%) has been below the MT for at least 24 months
 - 2 wells dropped below the MT in July 2026
 - 0 wells moved above the MT in July 2026

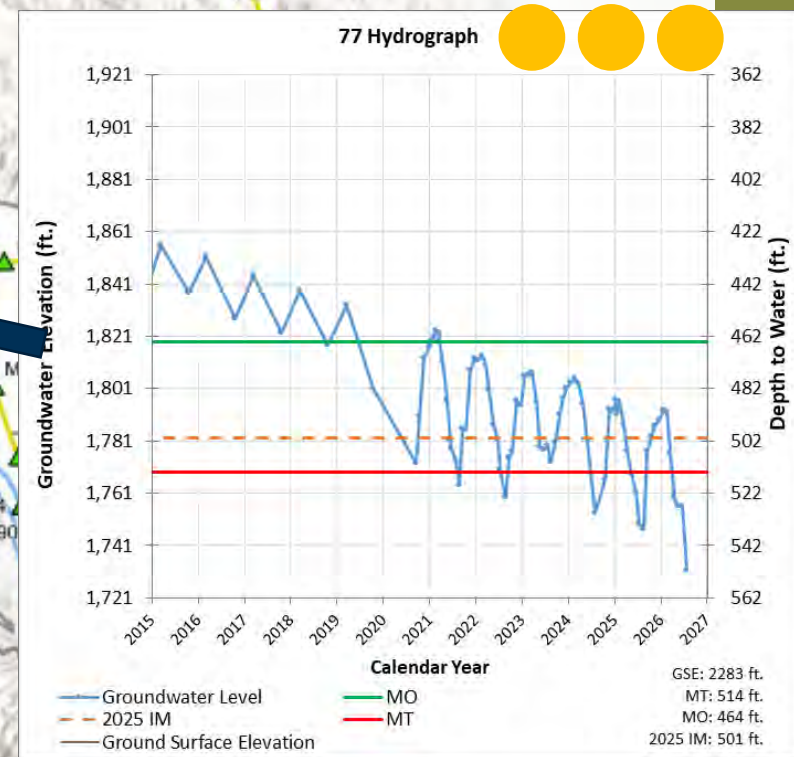
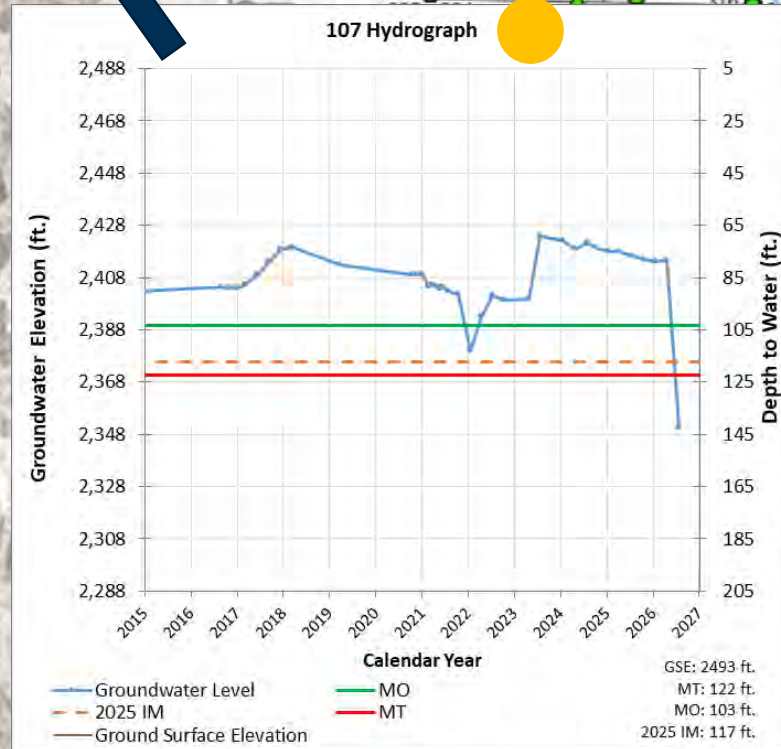
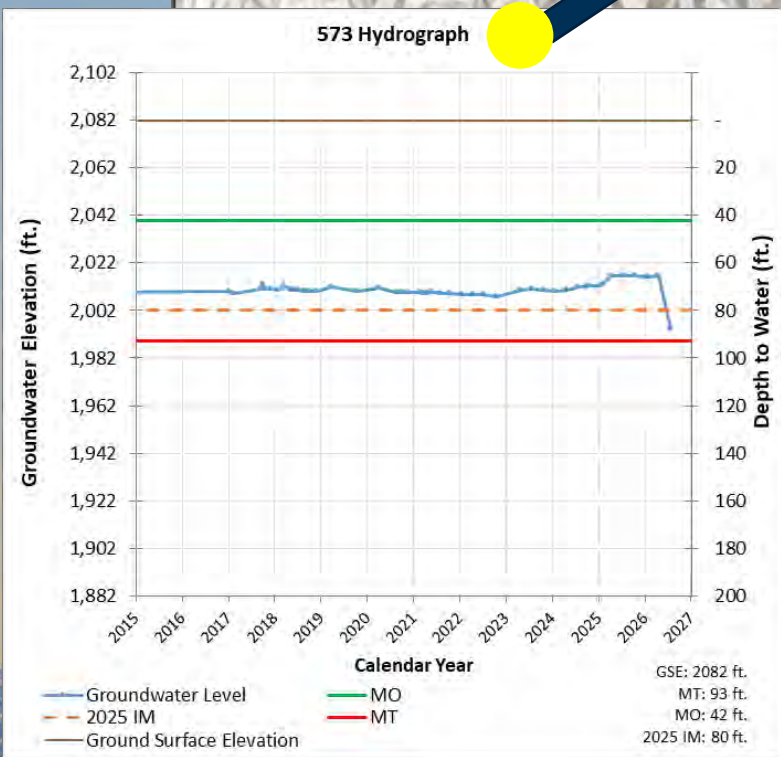


Current Status of Representative Monitoring Wells



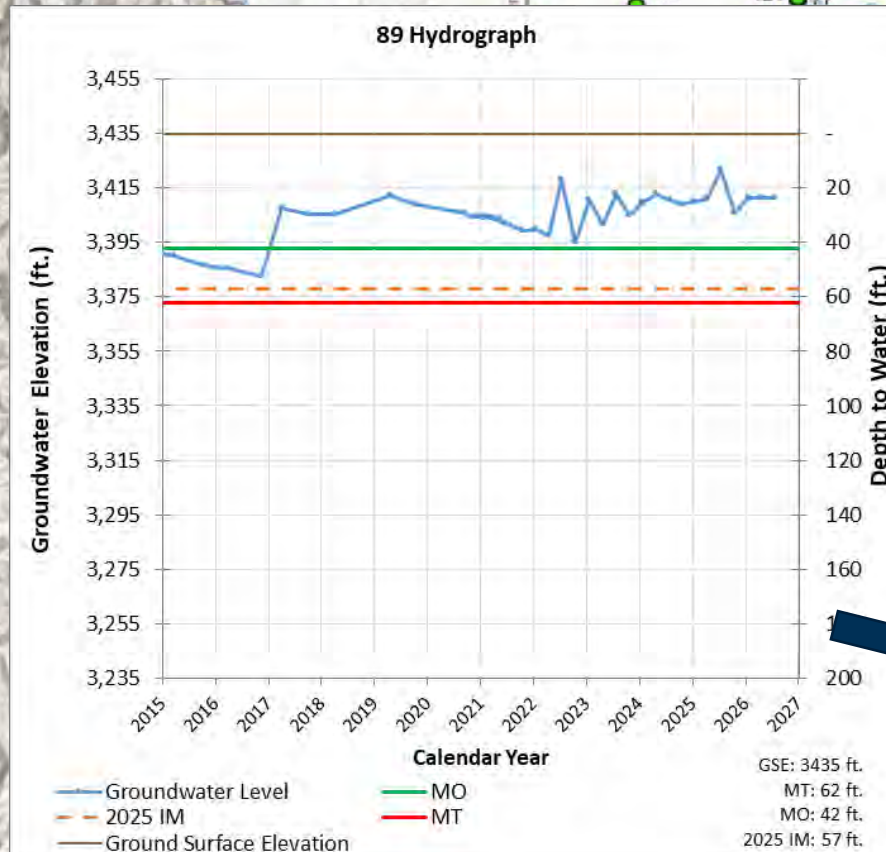
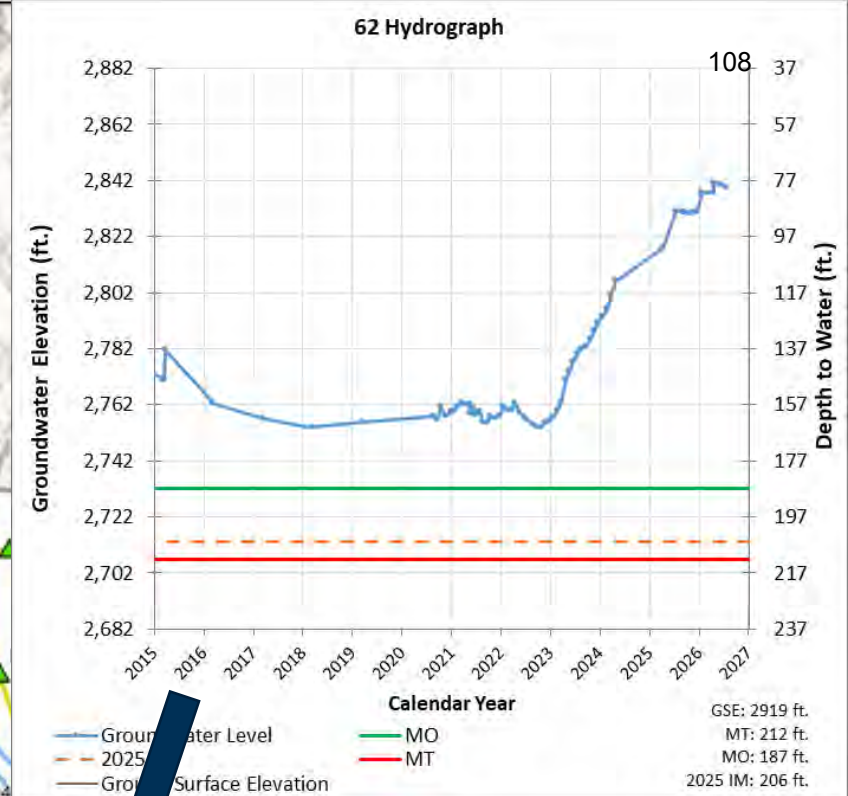
Unit: Using: I:\woodland\urban\refined\Projects\CA_Cuyama\Basin_GSA\0011078_01_GSP\wp12_GIS2_Maps\1_Regular_Reporting\RegularReportingPro.aprx

Wells below the MT or in Adaptive Mgmt Zone



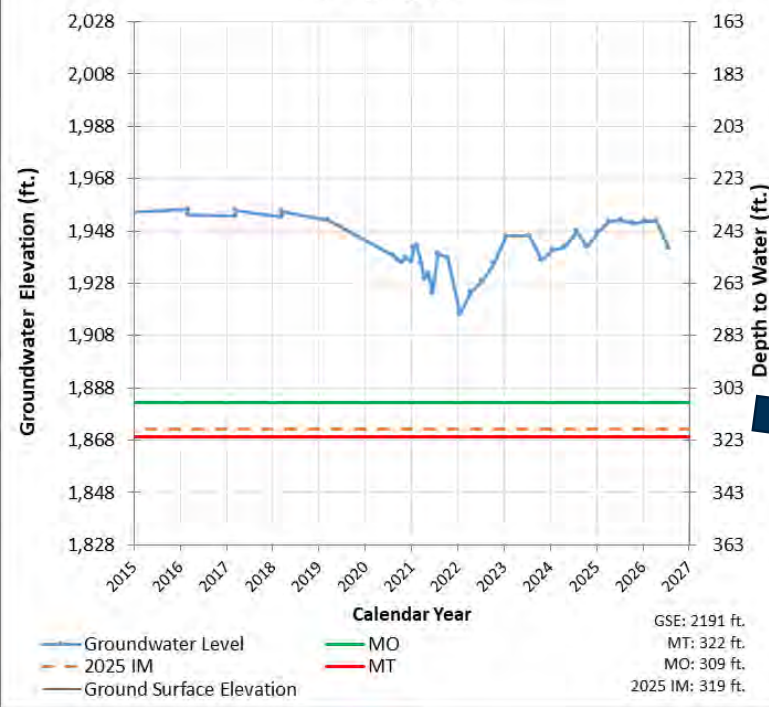
*Multi-Completion Monitoring Well.
Completions 420 and 421 also below MT.*

Updated Hydrographs for Selected Monitoring Wells

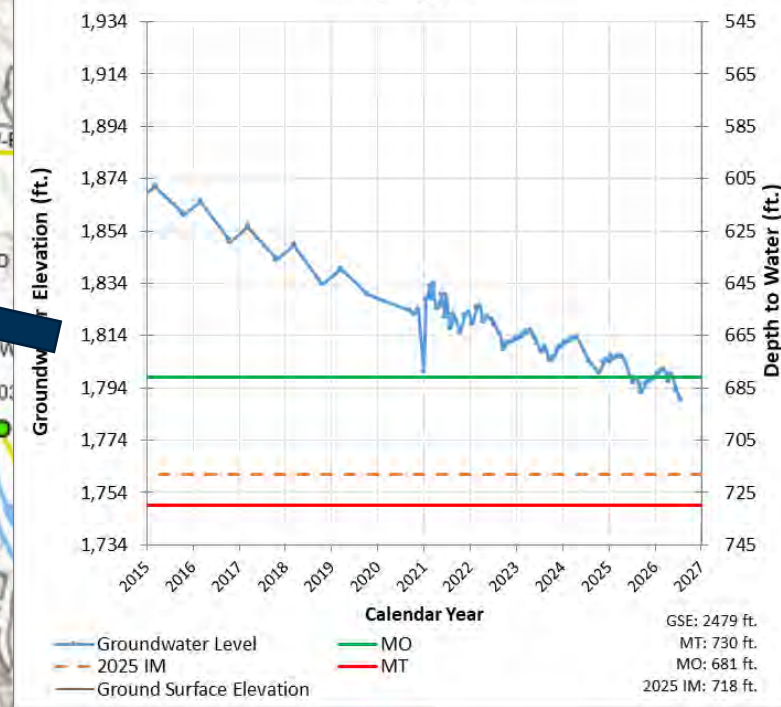


Updated Hydrographs for Selected Monitoring Wells

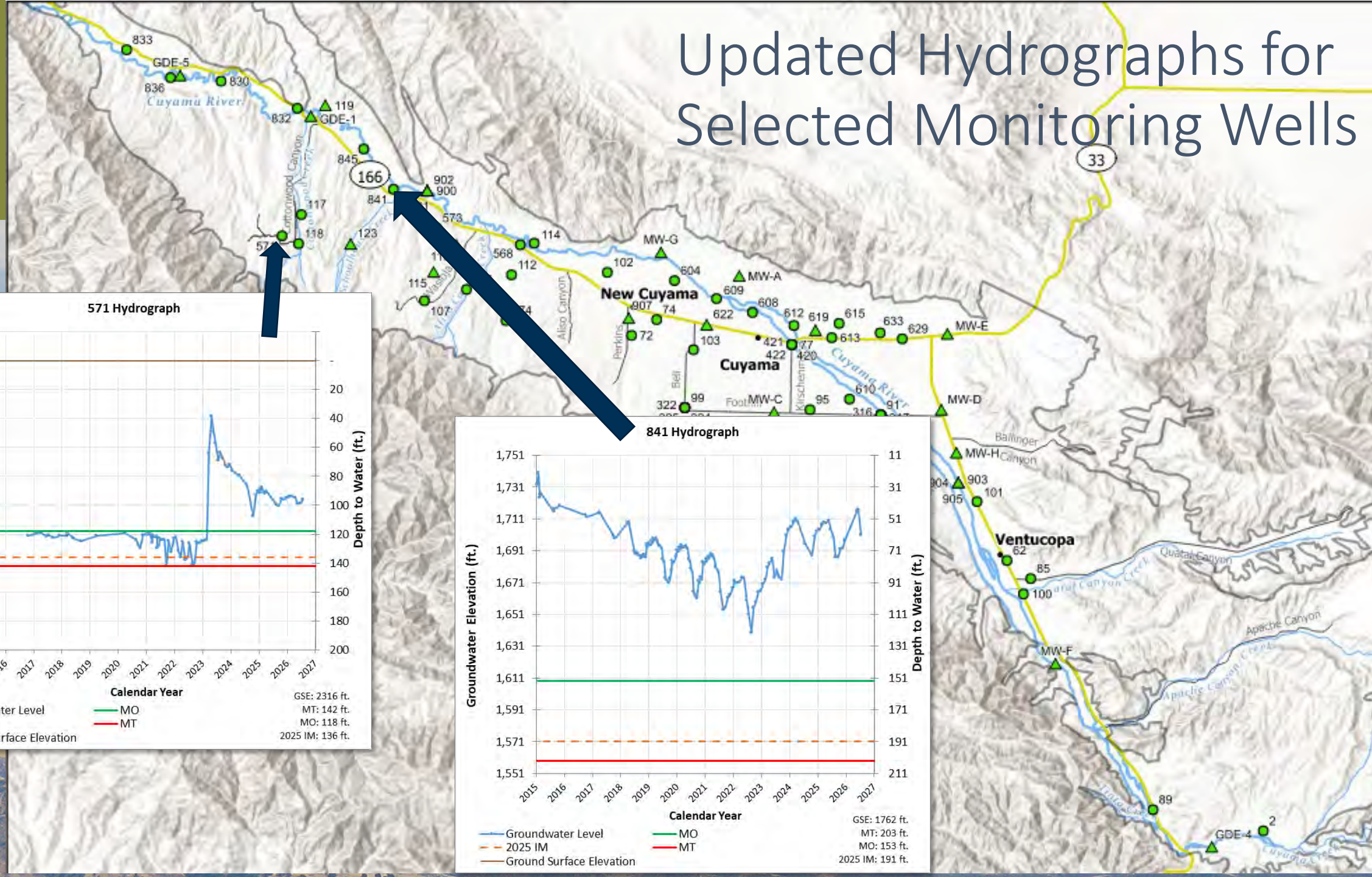
74 Hydrograph



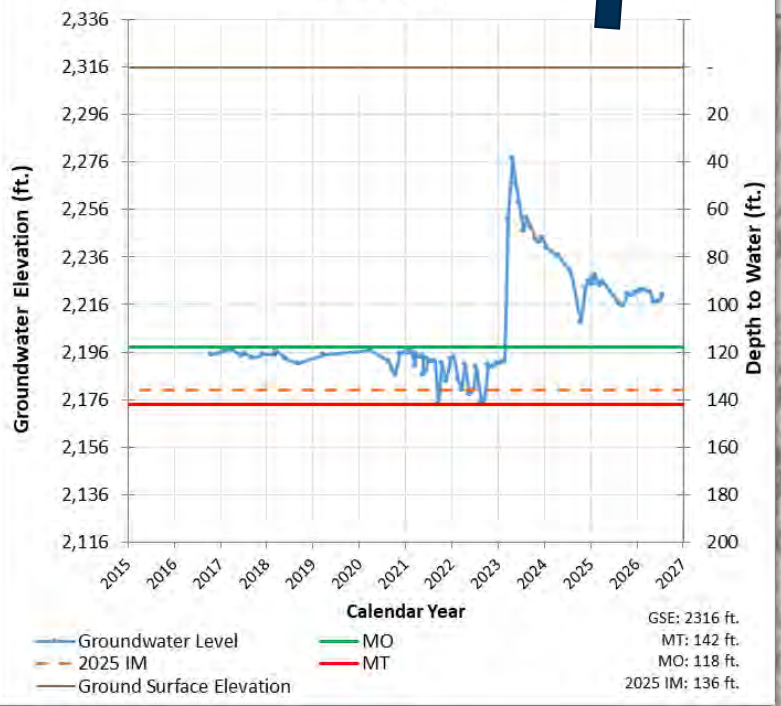
91 Hydrograph



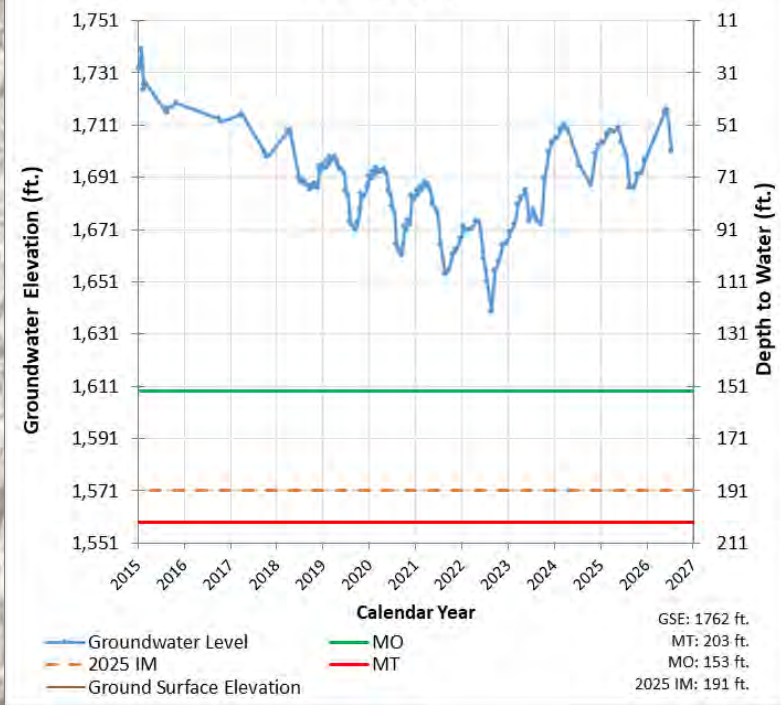
Updated Hydrographs for Selected Monitoring Wells



571 Hydrograph



841 Hydrograph





Groundwater Conditions Report: Cuyama Valley Groundwater Basin

July 2026

TABLE OF CONTENTS

SECTION	PAGE NO.
1. INTRODUCTION	1
2. SUMMARY STATISTICS	1
3. CURRENT CONDITIONS	2
4. HYDROGRAPHS BY REGION	10
5. HYDROGRAPHS FOR WELLS BELOW MINIMUM THRESHOLD OR IN ADAPTIVE MANAGEMENT ZONE	16
6. MONITORING NETWORK UPDATES	21

TABLES

Table 1: Recent Groundwater Levels for Representative Monitoring Network	3
Table 2: Well Status Related to Thresholds	6

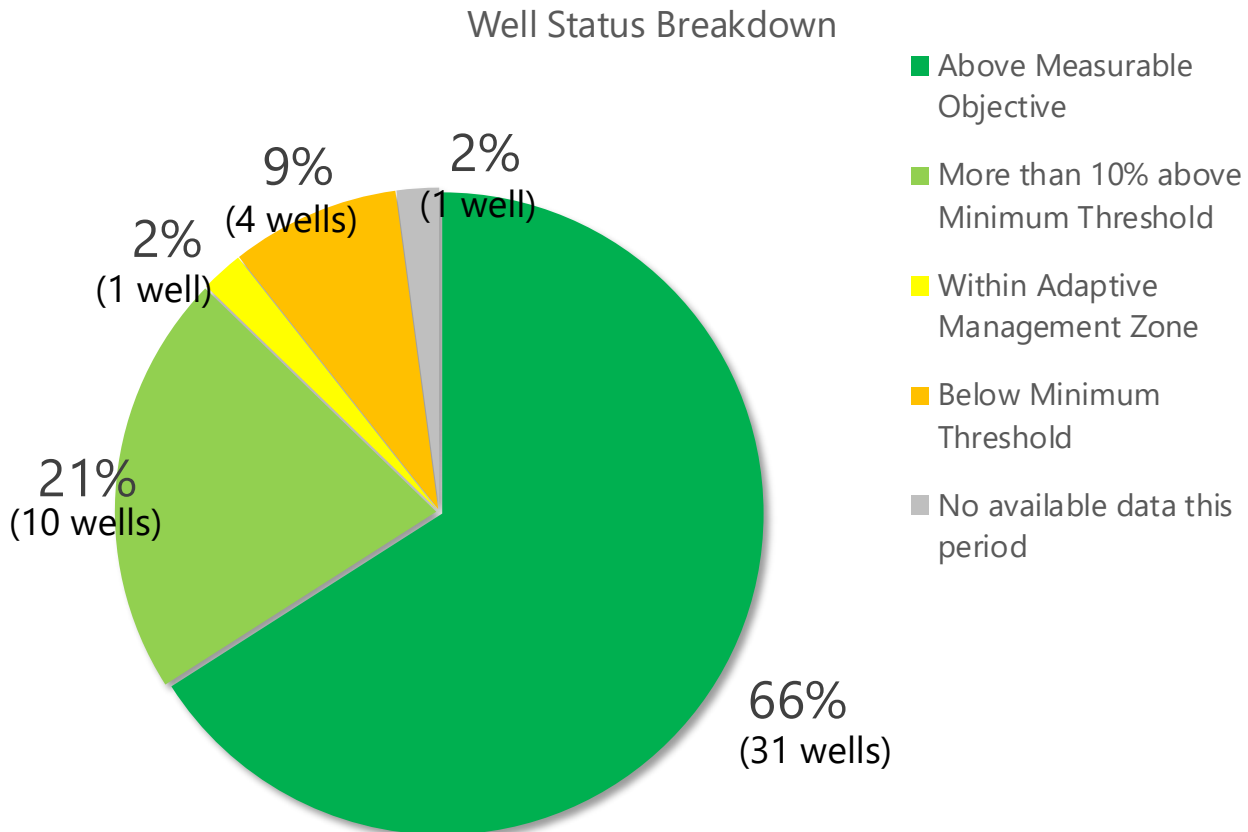
FIGURES

Figure 1: Groundwater Level Representative Wells and Status in July 2026	9
Figure 2: Southeast Region – Well 89	10
Figure 3: Eastern Region – Well 62	11
Figure 4: Central Region – Well 91	12
Figure 5: Central Region – Well 74	13
Figure 6: Western Region – Well 571	14
Figure 7: Northwestern Region – Well 841	15
Figure 8: Well 77	16
Figure 9: Well 420	17
Figure 10: Well 421	18
Figure 11: Well 573	19
Figure 12: Well 107	20

1. INTRODUCTION

This report is intended to provide an update on the current groundwater level conditions in the Cuyama Valley Groundwater Basin. This work is completed by the Cuyama Basin Groundwater Sustainability Agency (CBGSA), in compliance with the Sustainable Groundwater Management Act (SGMA).

2. SUMMARY STATISTICS



There are currently four wells with groundwater levels exceeding the updated minimum thresholds. As outlined in the GSP, undesirable results for the chronic lowering of groundwater levels occurs, "when 30 percent of representative monitoring wells... fall below their minimum groundwater elevation threshold for two consecutive years." (Cuyama GSP, pg. 3-2). Currently, 0% of representative monitoring wells (i.e. 0 wells) have exceeded the minimum threshold for 24 or more consecutive months.

3. CURRENT CONDITIONS

Table 1 includes the most recent groundwater level measurements taken in the Cuyama Basin from representative wells included in the Cuyama GSP Groundwater Level Monitoring Network, as well as the previous two measurements and the measurement from the same time period in the previous year. Table 2 includes all of the wells and their current status in relation to the thresholds applied to each well. This information is also shown on Figure 1.

All measurements are also incorporated into the Cuyama DMS, which may be accessed at <https://opti.woodardcurran.com/cuyama/login.php>.

Table 1: Recent Groundwater Levels for Representative Monitoring Network

Well	Region	Jan-26	Apr-26	Jul-26	Last Year		Elevation Change
		GWL (ft. msl)	GWL (ft. msl)	GWL (ft. msl)	GWL (ft. msl)	Month/ Year	
72	Central	2044	2037	2019	2020	Jul-25	-1
74	Central	1951	1952	1941	1952	Jul-25	-11
77	Central	1793	1759	1732	1749	Jul-25	-17
91	Central	1800	1799	1789	1798	Jul-25	-9
95	Central	1869	1869	1872	1871	Jul-25	1
96	Central	2269	2267	2267	2295	Jul-25	-28
99	Central	2171	2196	2207	2129	Jul-25	78
102	Central	1769	1765	1759	1758	Jul-25	1
103	Central	2061	2054	2055	2056	Jul-25	-1
112	Central	2046	2046	2046	2046	Jul-25	0
114	Central	1879	1881	1879	1881	Jul-25	-2
316	Central	1798	1798	1791	1797	Jul-25	-6
317	Central	1800	1800	1793	1799	Jul-25	-6
322	Central	2165	2195	2206	2126	Jul-25	80
324	Central	2185	2200	2207	2156	Jul-25	51
325	Central	2196	2206	2208	2190	Jul-25	18
420	Central	1792	1760	1732	1748	Jul-25	-16
421	Central	1791	1778	1761	1772	Jul-25	-11
474	Central	2236	2235	2233	2236	Jul-25	-3
568	Central	1877	1878	1876	1876	Jul-25	0

Well	Region	Jan-26	Apr-26	Jul-26	Last Year		Elevation Change
		GWL (ft. msl)	GWL (ft. msl)	GWL (ft. msl)	GWL (ft. msl)	Month/ Year	
604	Central	1673	1640	1627	1645	Jul-25	-18
935	Central	1793	1764	1748	1753	Jul-25	-5
609	Central	1749	1689	1701	1747	Jul-25	-46
610	Central	1801	1798	1789	1795	Jul-25	-6
612	Central	1837	1801	1800	1815	Jul-25	-15
613	Central	1816	1814	1803	1783	Jul-25	20
615	Central	1803	1805	1790	1797	Jul-25	-7
629	Central	1821	1812	1792	1787	Jul-25	5
633	Central	1844	1884	1869	1792	Jul-25	77
62	Eastern	2838	2838	2839	2831	Jul-25	8
85	Eastern	2908	2912	2914	2908	Jul-25	6
100	Eastern	2935	2938	2932	2924	Jul-25	8
101	Eastern	2687	2692	2684	2679	Jul-25	5
841	Northwestern	1703	-	1701	1700	Jul-25	1
845	Northwestern	1641	-	1638	1634	Jul-25	4
2	Southeastern	3701	3705	3695	3693	Jul-25	2
89	Southeastern	3411	3411	3412	3422	Jul-25	-10
106	Western	2178	2178	2178	2177	Jul-25	1
107	Western	2414	2415	2350	2417	Jul-25	-67
117	Western	1966	1948	1946	1944	Jul-25	2
118	Western	2213	2214	2214	2213	Jul-25	1

Well	Region	Jan-26	Apr-26	Jul-26	Last Year		Elevation Change
		GWL (ft. msl)	GWL (ft. msl)	GWL (ft. msl)	GWL (ft. msl)	Month/ Year	
571	Western	2222	2221	2220	-	-	-
573	Western	2016	2016	1994	2016	Jul-25	-22
830	Far-West Northwestern	-	-	-	-	-	-
832	Far-West Northwestern	1606	1607	1607	1608	Jul-25	-1
833	Far-West Northwestern	1434	1438	1437	1320	Jul-25	117
836	Far-West Northwestern	1479	1481	1480	1479	Jul-25	1

Table 2: Well Status Related to Thresholds

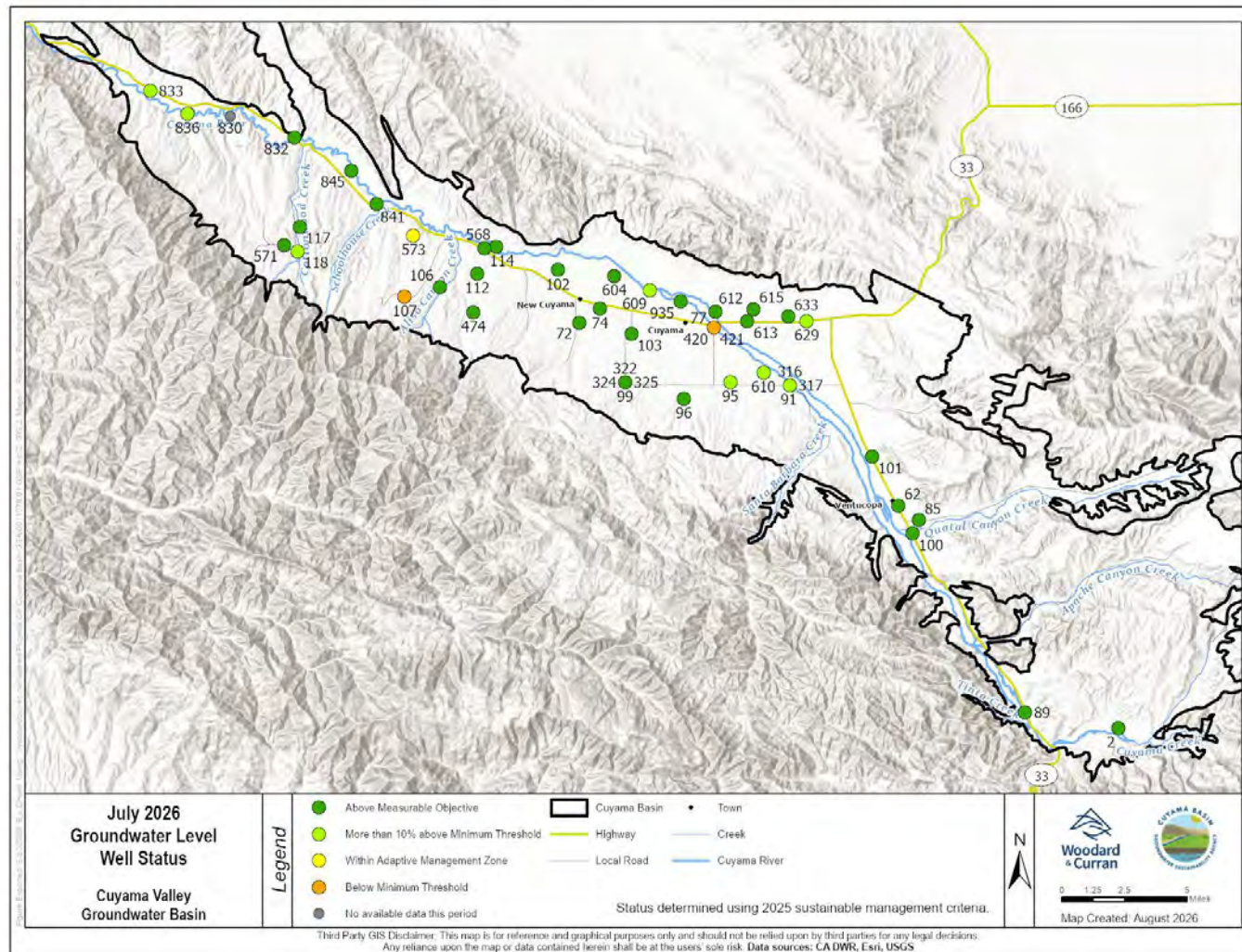
Well	Region			Minimum Threshold	Within 10%	Measurable Objective	Well Depth	Status	Action Required?
		GWL (DTW)	Date		Minimum Threshold				
72	Central	150	7/23/2026	373	369	328	790	Above Measurable Objective	No
74	Central	250	7/22/2026	322	321	309	-	Above Measurable Objective	No
77	Central	552	7/22/2026	514	509	464	980	Below Minimum Threshold	No
91	Central	690	7/23/2026	730	725	681	980	More than 10% above Minimum Threshold	No
95	Central	586	7/24/2026	597	594	562	805	More than 10% above Minimum Threshold	No
96	Central	341	7/22/2026	369	368	361	500	Above Measurable Objective	No
99	Central	297	7/22/2026	379	378	368	750	Above Measurable Objective	No
102	Central	284	6/22/2026	470	466	432	-	Above Measurable Objective	No
103	Central	232	7/22/2026	379	374	324	1030	Above Measurable Objective	No
112	Central	83	7/23/2026	102	102	100	441	Above Measurable Objective	No
114	Central	48	7/23/2026	58	58	56	58	Above Measurable Objective	No
316	Central	688	7/23/2026	731	726	682	830	More than 10% above Minimum Threshold	No
317	Central	686	7/23/2026	700	695	650	700	More than 10% above Minimum Threshold	No
322	Central	298	7/22/2026	387	386	378	850	Above Measurable Objective	No
324	Central	297	7/22/2026	365	364	353	560	Above Measurable Objective	No
325	Central	296	7/22/2026	331	330	323	380	Above Measurable Objective	No
420	Central	552	7/22/2026	514	509	464	780	Below Minimum Threshold	No

Well	Region			Minimum Threshold	Within 10%	Measurable Objective	Well Depth	Status	Action Required?
		GWL (DTW)	Date		Minimum Threshold				
421	Central	522	7/22/2026	514	509	466	620	Below Minimum Threshold	No
474	Central	132	7/23/2026	197	195	178	213	Above Measurable Objective	No
568	Central	36	7/22/2026	47	47	46	188	Above Measurable Objective	No
604	Central	490	7/24/2026	544	540	505	924	Above Measurable Objective	No
935	Central	438	7/24/2026	504	501	475	745	Above Measurable Objective	No
609	Central	465	7/24/2026	499	495	462	970	More than 10% above Minimum Threshold	No
610	Central	652	7/24/2026	673	670	643	780	More than 10% above Minimum Threshold	No
612	Central	472	7/23/2026	513	511	490	1070	Above Measurable Objective	No
613	Central	525	7/23/2026	578	575	550	830	Above Measurable Objective	No
615	Central	533	7/23/2026	588	585	556	865	Above Measurable Objective	No
629	Central	587	7/24/2026	613	610	581	1000	More than 10% above Minimum Threshold	No
633	Central	495	7/24/2026	605	600	551	1000	Above Measurable Objective	No
62	Eastern	80	7/23/2026	212	210	187	212	Above Measurable Objective	No
85	Eastern	135	7/23/2026	200	198	176	233	Above Measurable Objective	No
100	Eastern	76	7/23/2026	186	183	157	284	Above Measurable Objective	No
101	Eastern	63	7/23/2026	138	136	115	200	Above Measurable Objective	No
841	Northwestern	61	7/16/2026	203	198	153	600	Above Measurable Objective	No
845	Northwestern	74	7/16/2026	203	198	153	380	Above Measurable Objective	No
2	Southeastern	26	7/23/2026	52	50	35	73	Above Measurable Objective	No

Well	Region			Minimum Threshold	Within 10%	Measurable Objective	Well Depth	Status	Action Required?
		GWL (DTW)	Date		Minimum Threshold				
89	Southeastern	24	7/23/2026	62	60	42	125	Above Measurable Objective	No
106	Western	140	7/23/2026	164	163	152	228	Above Measurable Objective	No
107	Western	143	7/23/2026	122	120	103	200	Below Minimum Threshold	No
117	Western	152	7/22/2026	163	162	154	212	Above Measurable Objective	No
118	Western	50	7/22/2026	72	69	42	500	More than 10% above Minimum Threshold	No
571	Western	96	7/22/2026	142	140	118	280	Above Measurable Objective	No
573	Western	88	7/23/2026	93	88	42	404	Within Adaptive Management Zone	No
830	Far-West Northwestern	-	-	63	63	60	77	No available data this period	No
832	Far-West Northwestern	33	7/22/2026	50	49	35	132	Above Measurable Objective	No
833	Far-West Northwestern	19	7/22/2026	48	44	10	504	More than 10% above Minimum Threshold	No
836	Far-West Northwestern	30	7/22/2026	49	45	10	325	More than 10% above Minimum Threshold	No

Note: Wells only count towards the identification of undesirable results if the level measurement is below the minimum threshold for 24 consecutive months.

Figure 1: Groundwater Level Representative Wells and Status in July 2026



4. HYDROGRAPHS BY REGION

The following hydrographs provide an overview of conditions in each of the six areas threshold regions identified in the GSP.

Figure 2: Southeast Region – Well 89

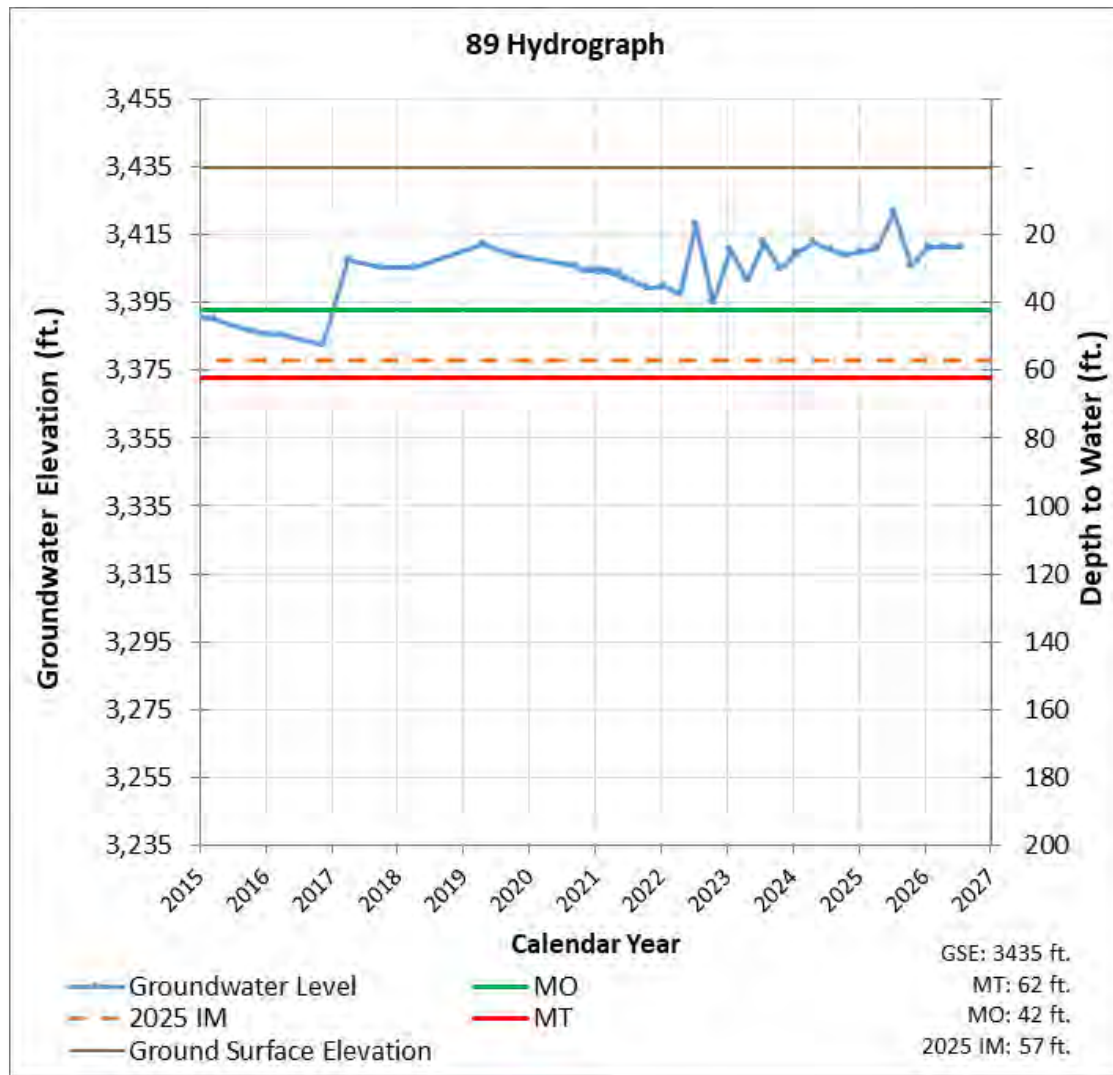


Figure 3: Eastern Region – Well 62

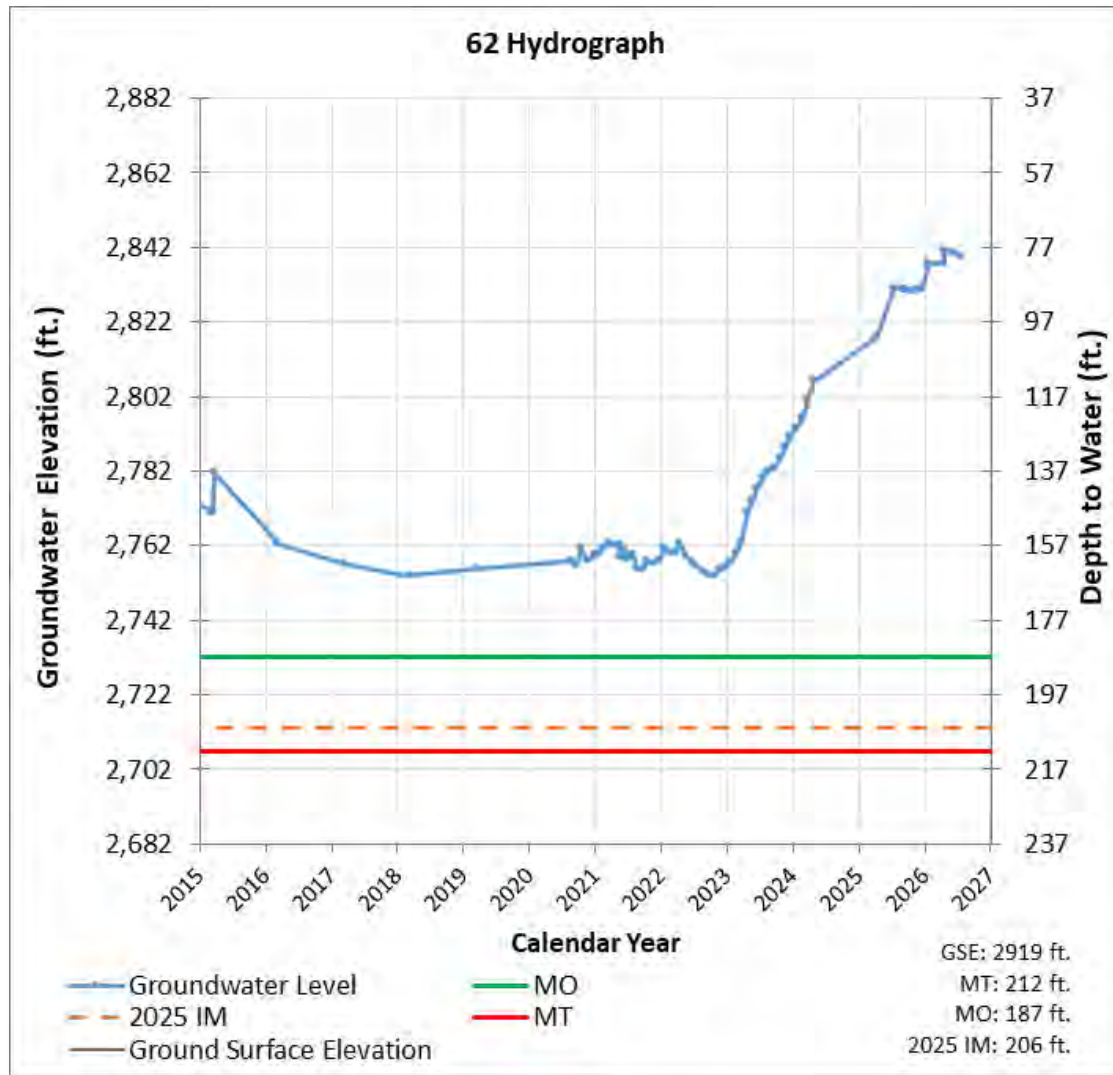


Figure 4: Central Region – Well 91

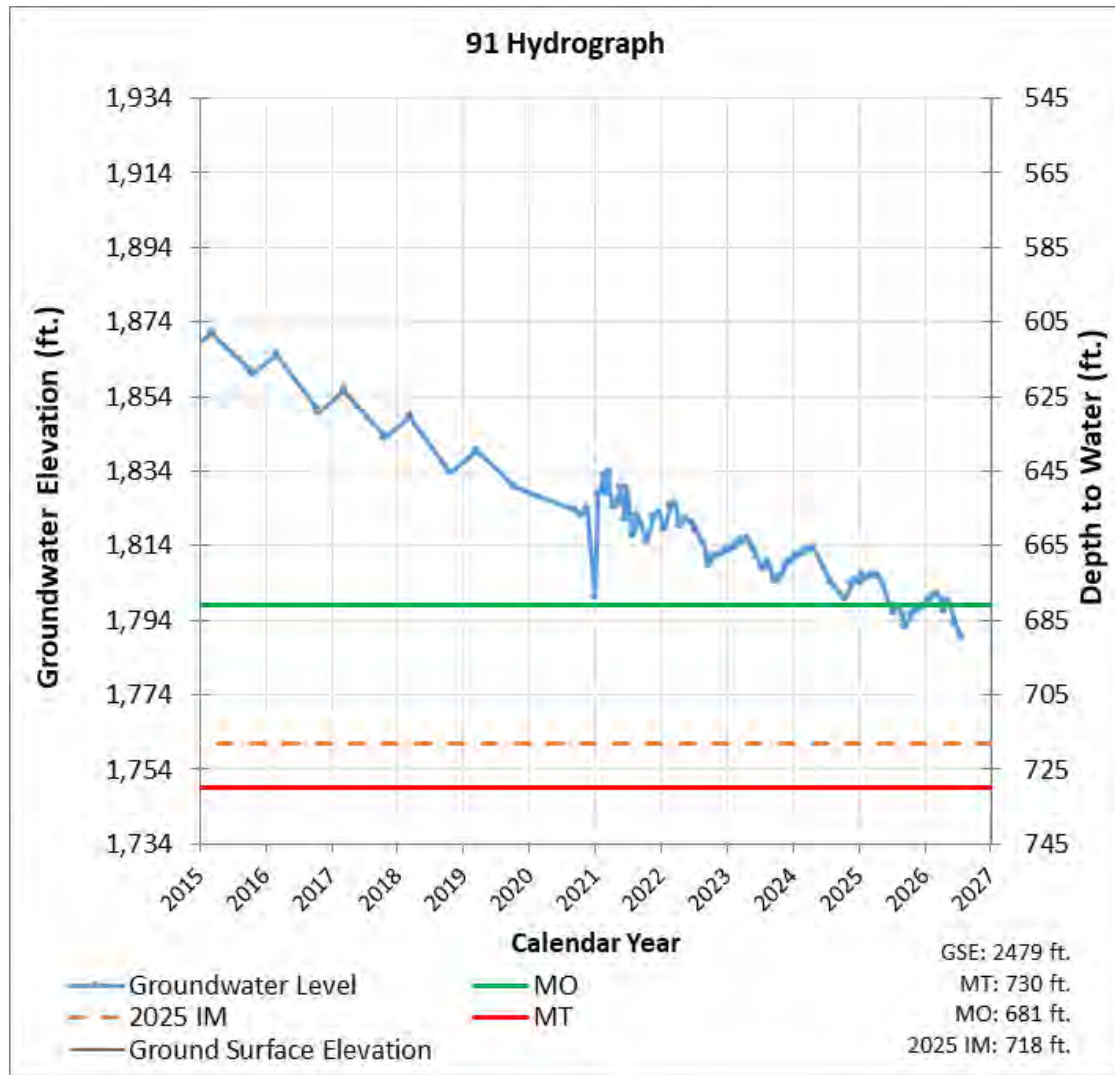


Figure 5: Central Region – Well 74

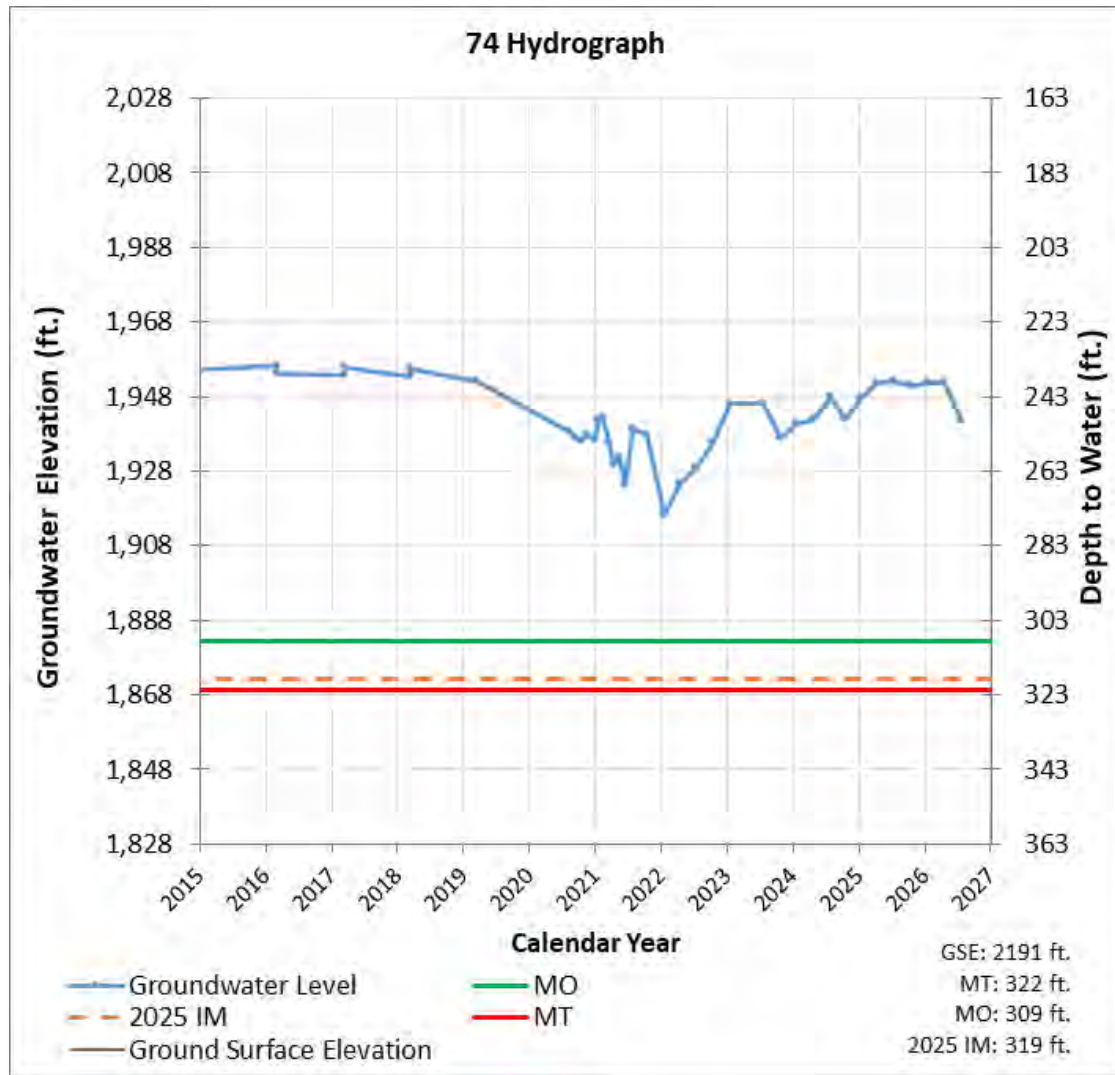


Figure 6: Western Region – Well 571

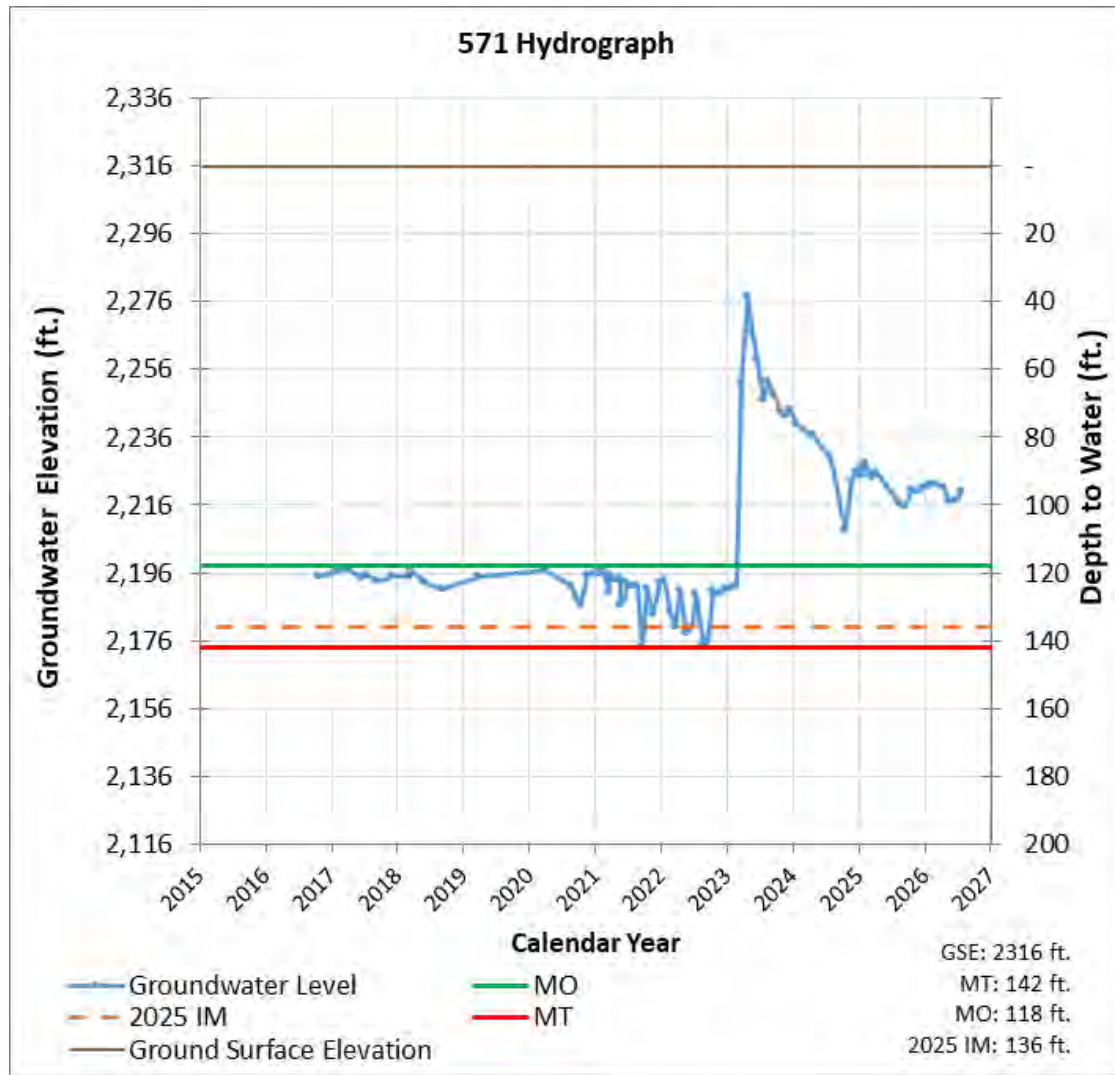
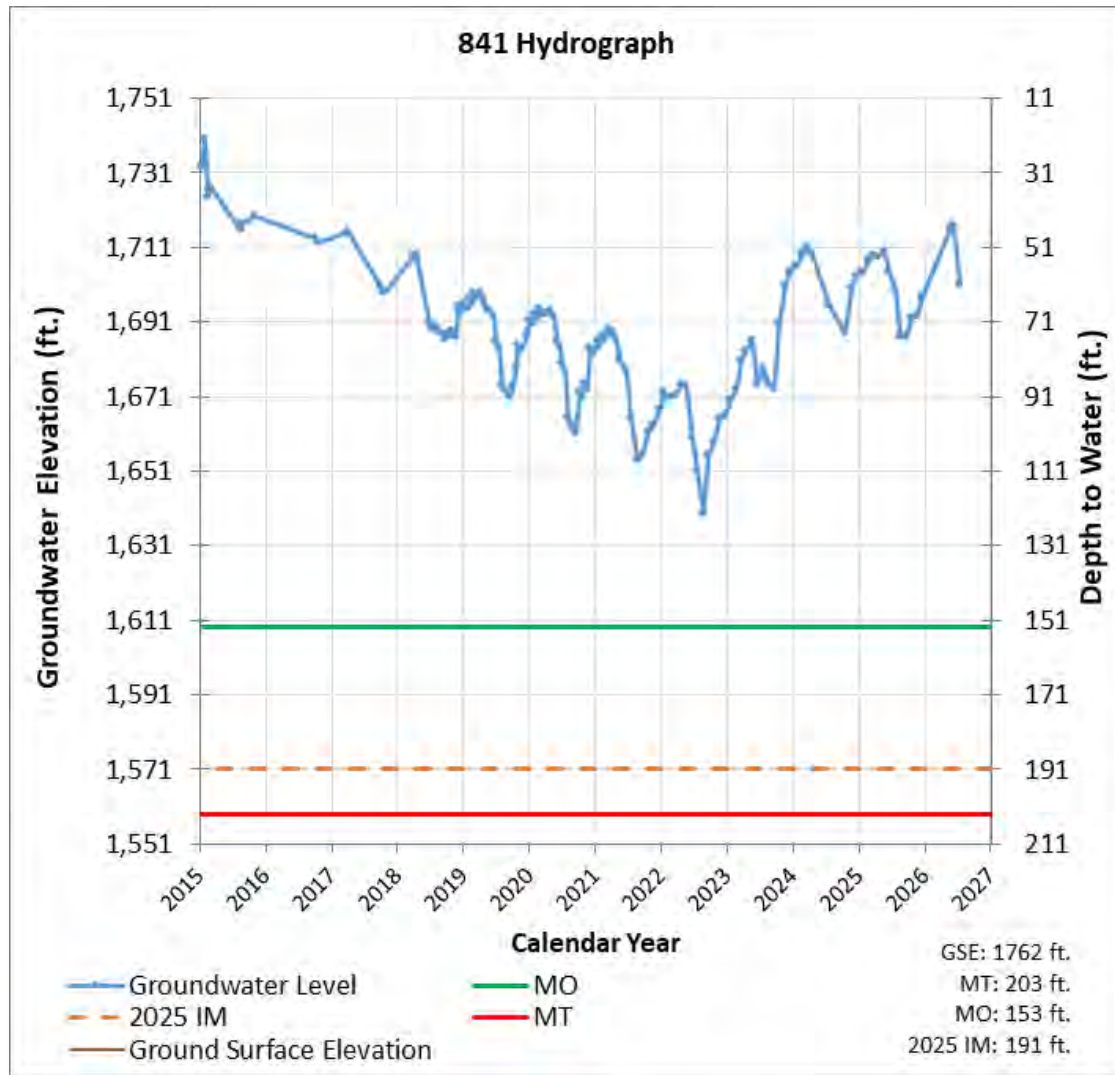


Figure 7: Northwestern Region – Well 841



5. HYDROGRAPHS FOR WELLS BELOW MINIMUM THRESHOLD OR IN ADAPTIVE MANAGEMENT ZONE

The following hydrographs provide an overview of conditions at wells that are currently below the minimum threshold or are in the adaptive management zone.

Figure 8: Well 77

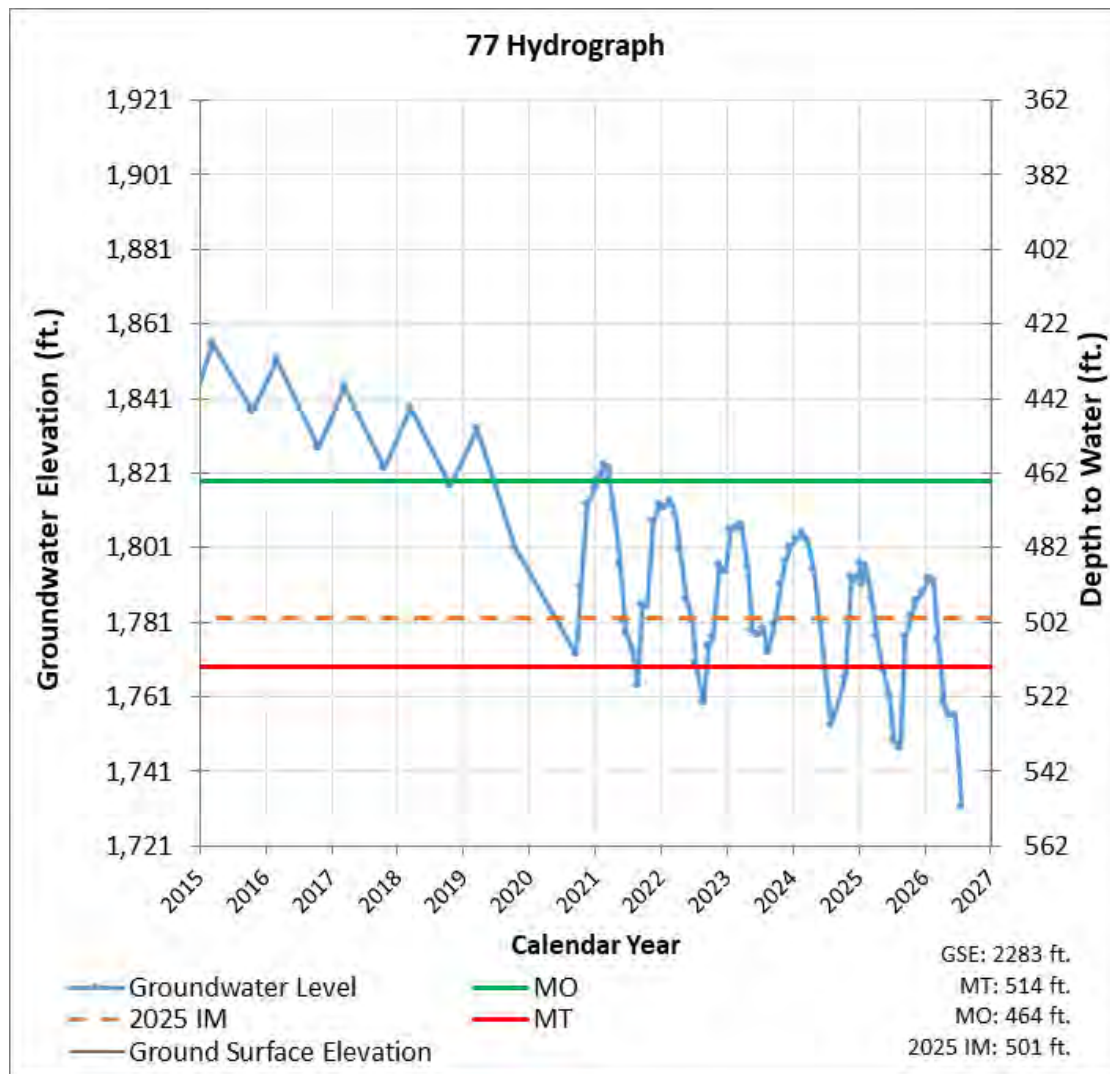


Figure 9: Well 420

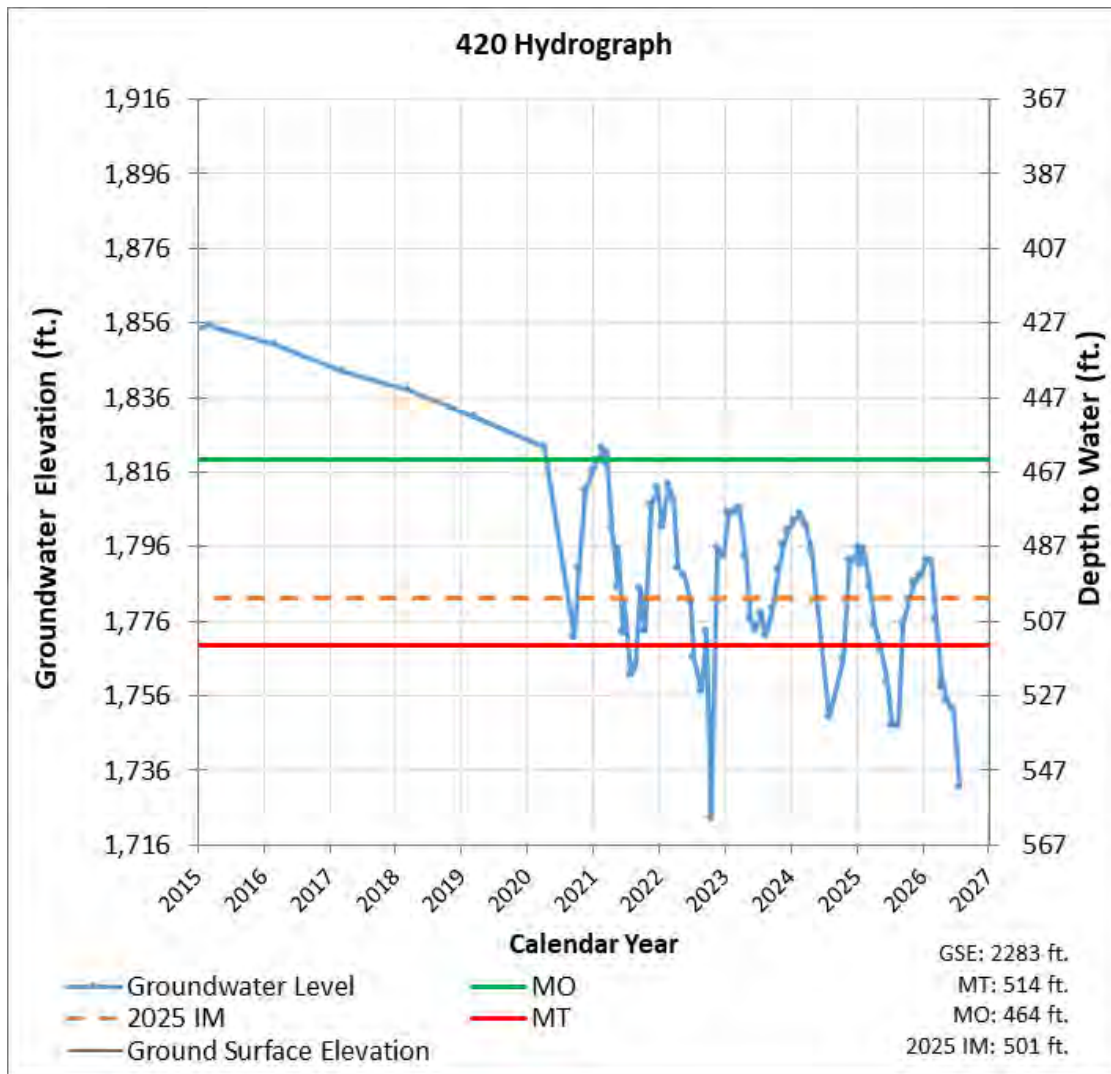


Figure 10: Well 421

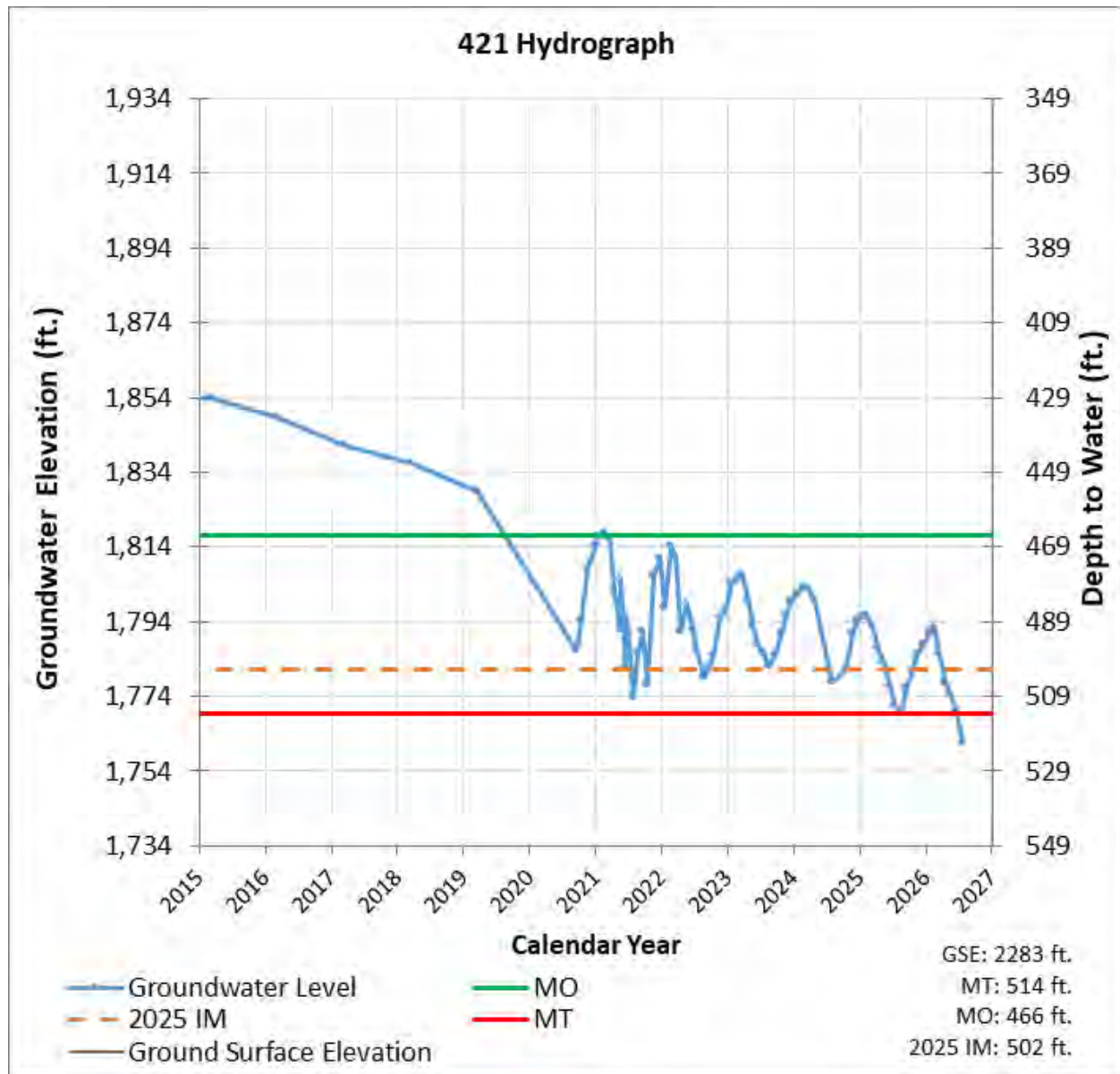


Figure 11: Well 573

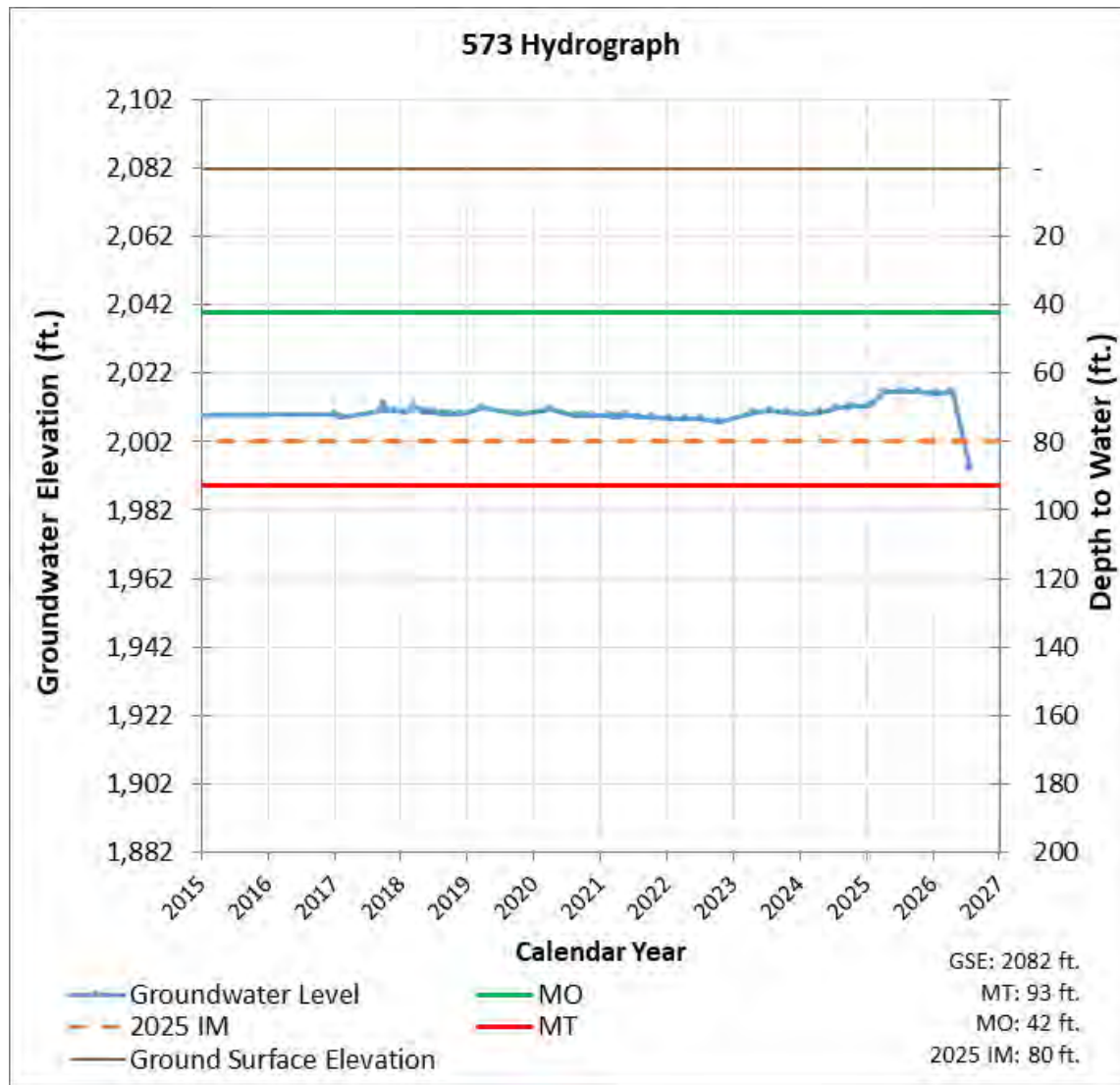
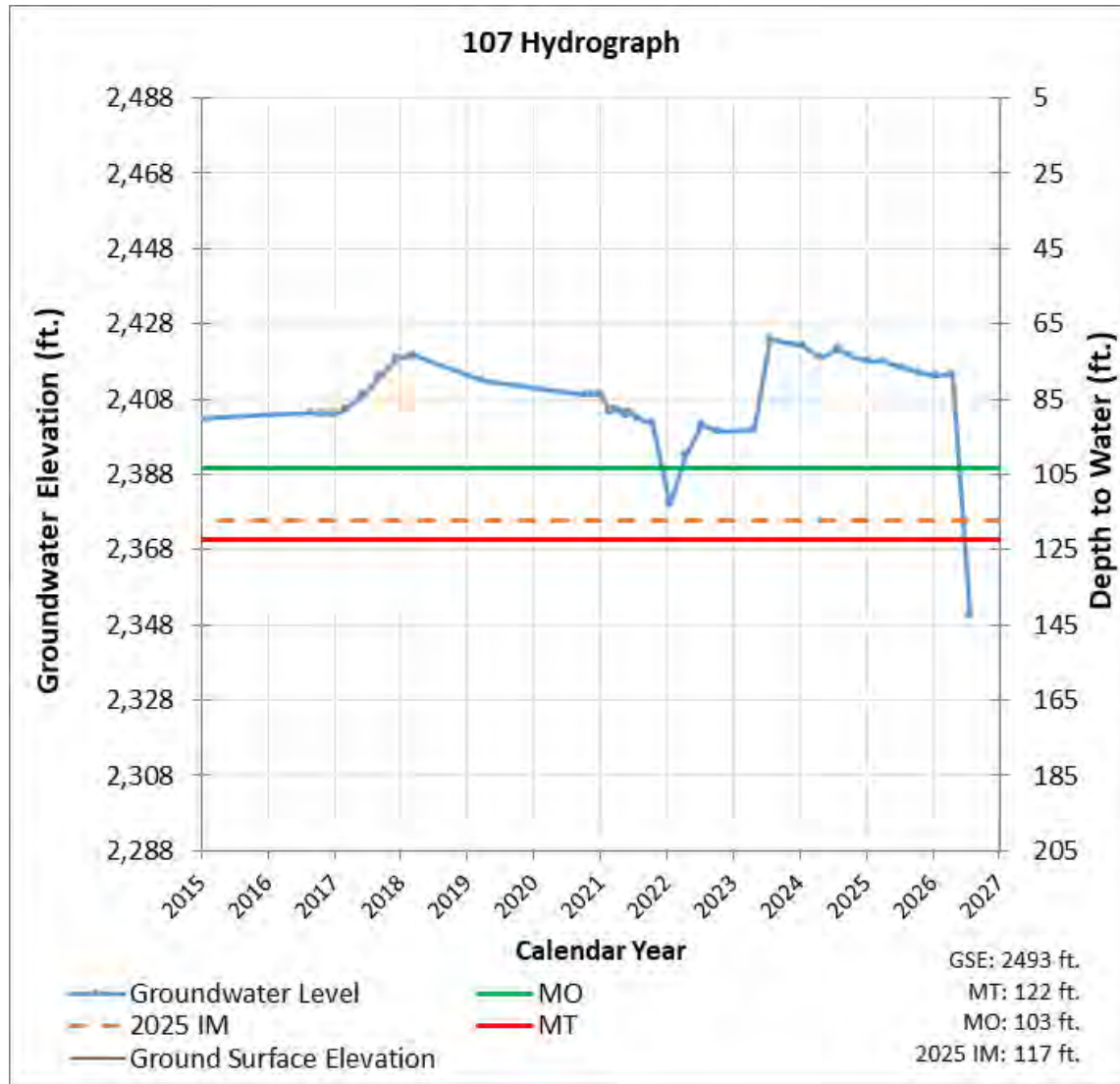


Figure 12: Well 107



6. MONITORING NETWORK UPDATES

As shown in Table 2, there is one well with no measurement during the current monitoring period. These "no measurement codes" can have different causes as described below.

- Landowner changed and an access agreement has not been established with the current landowner:
 - o Well 830



Highlights and Takeaways from Managing Groundwater with small Farms in Mind By UC ANR & CAFF

The future success of SGMA will be measured not only by hydrologic indicators, but by whether California's agricultural communities remain viable, diverse, and resilient.

The widespread loss of small farms should be understood as an emerging “seventh undesirable result” that arises not only from overdraft itself, but from how groundwater management is designed and implemented. This calls for deliberate and proactive attention to prevent this outcome.

Findings:

- Groundwater markets, land fallowing, recharge projects, and pumping fees — as currently structured — can unintentionally favor larger, better-resourced operations, which may contribute to the displacement of small farms.
- Small farms are subject to the same rates and regulatory complexity as larger operations, despite accounting for a small fraction of total groundwater use.

The Case for Action:

Equity and sustainability are not competing goals under SGMA — they are mutually reinforcing. Small-scale farmers contribute least to overdraft yet face disproportionate risk under current implementation, and their loss would undermine the rural economies, food systems, and cultural heritage that they sustain.

Why Small Farms Matter to California:

Small Farms are among the state's most vulnerable groundwater users despite the high value that they bring to their communities and across California, producing local, diverse, and culturally significant crops that support food sovereignty, quality of life, and rural community resilience.

In the context of SGMA, there are three core characteristics that distinguish a broad group of small-scale farmers: minimal impact on groundwater extractions, substantial community value, and high financial vulnerability- all relative to their neighbors.

Distinguishing among water users based on impact and vulnerability is foundational to equitable groundwater management. Recognizing a broader group of vulnerable small farms should lead to targeted accommodations (such as tiered fee structures), while identifying the subset of “small farm de minimis pumpers” should enable alternative requirements, exclusions or exemptions.

GSA Board Composition: Page 32

Despite SGMA intentions for local stakeholders involvement from disadvantaged communities and including participation from those most affected by groundwater overdraft, the legislation limited GSA eligibility to local public agencies with water supply, water management, or land use responsibilities. As a result, GSA boards are largely composed of representatives from counties, cities, or water districts. This gives large landowners disproportionate influence while small farms, tenants, and non-landowners are effectively excluded. These systems of representation may weaken accountability and create conflicts of interest in decisions about water markets, Fee structures, and allocation policies.

Boards dominated by large landowners may lack awareness of small farm realities, leading to policies that unintentionally favor larger, better-resourced operations over small-scale and tenant farmers. Efforts should be made to adopt equitable voting structures for water and irrigation districts. Such as requiring one-vote governance, given the importance of these districts in regulating groundwater, a common-pool resource.

Financing GSA Activities: Page 35

Implementing SGMA has been costly, and long-term management will require sustained funding for decades. GSAs must increasingly rely on local revenue sources, often shifting financial burdens onto growers and rural communities, with disproportionate impacts on small-scale farmers. Some GSAs have also explored tiered pumping charges to encourage conservation and align costs with groundwater use. GSAs would benefit from clarification on their ability to tier fees. The February 2026 introduction of AB 2180 would allow local governments to charge tiered rates to parcel or customer classes based on common characteristics indicative of likely water use. If this bill passes, it could enhance the ability of GSAs to create tiered fee structures based on the volume of water used. Flat fees are regressive and place a disproportionate financial burden on smaller farms.

The legal uncertainty and detailed analysis required for tiered fees can deter GSAs from developing progressive rate structures that protect small-scale farmers and reward conservation.

GSAs should ensure funding mechanisms do not disproportionately burden low-volume pumpers. While larger farms can leverage economies of scale to manage fee costs, small-scale and low-income farms are less able to absorb additional fees and warrant intentional protections in how funding structures are designed. The SWRCB's April 2026 recognition of an exclusion for minimal-impact pumpers in two San Joaquin Valley

probationary basins points toward a more equitable approach that could be adopted statewide.

Groundwater Markets: Page 37

The intent is to give farmers flexibility, directing water to its “highest value use,” while keeping overall pumping within sustainable limits. In practice, oversight of groundwater markets has proven challenging, with instances of markets increasing undesirable results in sensitive areas and concentrating control of market trading in the hands of fewer larger farms.

While transfers may sound straightforward in theory, in practice, managing the accounting of where traded water is going, who is doing the trading, how much one has to trade, and the resulting impacts of these trades is a huge administrative challenge. It can be expensive and difficult to implement accounting platforms and challenging to mandate their use. Of particular concern is the capacity of large-scale operations farming across multiple, noncontiguous parcels to aggregate their allocations, and report all pumping together instead of specifically where groundwater extraction occurred. Small farmers may not wield sufficient market power, allowing more powerful entities to dominate the trading program and control how allocations are used.

Preventing negative impacts requires both structural protections — such as inclusive governance, annual evaluations of the market, and transparent decision making — alongside practical investments in accurate accounting systems, reliable data, and long-term funding for enforcement.

The Fox Canyon example demonstrates that even with significant financial and institutional support, groundwater markets face persistent challenges around accurate accounting, preventing market power abuse, ensuring transparency, and avoiding unintended increases in pumping.

GSAs must design markets that do not worsen inequities or push small-scale farmers out of business. They should ensure that large-scale pumpers are not able to combine allocations across noncontiguous parcels. Establish non tradable allocations for small-scale farmers. Cap trade volumes per entity and require blind trades through third party administrators to prevent market power concentration, as proposed by the California Water Commission.

Allocation Methodology: Page 50

Sustainable yield estimates are often based on limited historical pumping data and groundwater models that require ongoing refinement. Because long-term pumping records are often incomplete, model assumptions play an outsized role in estimating available groundwater. The uncertainties inherent in these models are rarely explicitly reflected in allocation schemes.

Broad, uniform assumptions in consumptive use calculations disincentivize farm-level agricultural management practices that improve soil water retention (such as cover cropping). DGSA should design water allocation models that guarantee the minimum amount of groundwater needed for small farms to remain viable, recognizing their limited contribution to basin-wide pumping as low-volume pumpers. This could include adopting progressive allocation structures to ensure small-scale farmers continue to access sufficient water, as well as special consideration for the “small farm de minimis pumpers” category.

Adjudications: Page 54

Adjudications take many years to resolve in court and every landowner with a well must participate or risk losing their water rights. Small-scale farmers, even when they group together and hire an attorney to represent them, face an extremely costly process. Without the resources of large pumpers, small pumpers risk losing their water rights simply due to the difficulty of participating in a multi-year legal process. Without careful safeguards, these processes can threaten the viability of small farms.

Courts often reference historical use to determine allocations. This can be damaging to new and small-scale farmers who have prioritized water saving efforts in their operations.

Courts should ensure the successful enactment of AB 1466, signed by the Governor in 2025, which authorizes courts to treat claimants of minor water quantities separately in comprehensive adjudications and establishes a streamlined process to register and administer such claims.

Once an adjudication is issued by a court, it is implemented under the supervision of a designated Watermaster. It is essential Judges choose a Watermaster who is free of conflict of interest and trusted by different classes of plaintiffs.



Managing Groundwater with Small Farms in Mind:

Risks, Barriers, and Opportunities of the Sustainable Groundwater Management Act



UC Small Farms Network
University of California
Agriculture & Natural Resources



CAFF
COMMUNITY ALLIANCE
with FAMILY FARMERS



July 2026

Based on three years of statewide outreach, surveys, focus groups, and document review with small-scale farmers across California's priority groundwater basins

Developed in partnership by the University of California Small Farms Network and Community Alliance with Family Farmers

Table of Contents

- EXECUTIVE SUMMARY6**
- INTRODUCTION..... 10**
- APPROACH TO WORK 15**
- OPPORTUNITY 1..... 16**
- OPPORTUNITY 222**
- OPPORTUNITY 326**
 - GSA GENERAL OPERATIONS 27**
 - Outreach and Community Engagement 27
 - GSA Accessibility 30
 - GSA Board Composition 32
 - Build Local Capacity 34
 - Financing GSA Activities 35
 - GSA MANAGEMENT ACTIONS.....37**
 - Groundwater Markets 37
 - On-Farm Recharge 40
 - Alternatives to Bare Ground Fallowing..... 43
 - GSA GROUNDWATER USE REGULATION 45**
 - Groundwater Use Monitoring..... 45
 - Monitoring Network..... 48
 - Allocation Models 50
 - Fees 52
 - Adjudications 54
- OPPORTUNITY 456**
- CONCLUSION60**
- ADDITIONAL RESOURCES63**

Acknowledgments



Thao's Fruit Stand, Merced County

Authors:

Ngodoo Atume
Alyssa DeVincentis
Catherine Van Dyke
Ruby Kernkamp
Judith Redmond
Ruth Dahlquist-Willard

This report has been prepared by Community Alliance with Family Farmers and University of California Small Farms Network and is funded by the Department of Water Resources Underrepresented Communities, California Tribes, and Small Farmers Groundwater Technical Assistance Program (URCTA). This document does not reflect official positions or regulatory standards applied or used by the Department when administering its functions under SGMA.

This report would not be possible without the input and perspective of the Outreach Specialists who work directly with small farms navigating SGMA throughout California. Thank you for your time, expertise, and insights that shaped this report:

Photo Credit:

Lan Ngo Photography

Report Design:

Four Fin Creative

Community Alliance with Family Farmers:

Sadie Morris
Tehama County, Oak Slough Farm

Lan Ngo
Yolo, Solano, Sacramento Counties

Rogelio Ponce Jr.
Monterey County

Cheetah Tchudi
Butte County, TurkeyTail Farm

Jesse Trace
San Luis Obispo County, Traceland Organics

Kellie Wilson-Burt and Kandi Manhart-Belding
Glenn, Colusa Counties, Glenn County RCD

Reyna Yagi
Sonoma County, Yagi Sisters Farm

UC Small Farms Network:

Jarin Tasnim Anika
Stanislaus, San Joaquin, Merced Counties

Carly Deitsch
Santa Clara, San Benito, Santa Cruz, Monterey Counties

Robyn Fowler
Riverside, San Bernardino Counties

Luis Paniagua
Tulare, Kings Counties

Erik Rodriguez
Fresno, Madera Counties

We are grateful to the following individuals who shaped this report through conversations, offering new ideas, or in-depth review of the document. Organizational affiliations are listed for identification purposes only. The opinions expressed herein do not necessarily reflect those of the organizations or the individuals who reviewed it.

Layla Aguilar

Community Alliance with Family Farmers

Stephanie Anagnoson

County of Madera GSA

Steve Blumeshine

CSU-WATER

Rosie Burroughs

Burroughs Family Farm

Erik Cadaret

Yolo Subbasin Groundwater Agency

Anita Chaudhry

California State University, Chico

Kassy Chauhan

North Kings GSA

Dr. Kristin Dobbins

UC ANR/UC Berkeley

Larry Domenighini

Colusa Glenn Subwatershed Program

Dr. Nataly Escobedo Garcia

Leadership Counsel for Justice & Accountability

Dr. Matthew Fienup

Center for Economic Research & Forecasting, California Lutheran University

Dr. Vicky Espinoza

Applied Water Systems and Small Farm Researcher

Ryan Flaherty

Sustainable Conservation

Aaron Fukuda

Tulare Irrigation District and the Mid-Kaweah Groundwater Sustainability Agency

Emily Gardner

Salinas Valley Basin GSA

Jane Gray

Dudek

Piret Harmon

Salinas Valley Basin GSA

Roberta Jaffe

Cuyama Valley Small Farmer and Rancher Network; Condor's Hope Vineyard

Kyle Jones

Lepe Jones Consulting

Brian Lockwood

Pajaro Valley Water Management Agency

Abdelmoneim Mohamed

UC ANR, UCCE Stanislaus, San Joaquin, and Merced Counties

Lorena Munoz

Community Water Center

Kristen Murphy

JAIDE Conservation Collective

Mark Rigau and law students

UC Davis Small Farmer Water Justice Legal Clinic

Adauto Rocha

UC ANR, UC Santa Cruz

Dr. Samuel Sandoval Solis

Prof. UC Davis, Extension Specialist UC ANR

Kristin Sicke

Yolo Subbasin Groundwater Agency

Arshdeep Singh

Punjabi American Growers Group

Beth Spitler

California Food and Farming Network

Carrie Teiken

UC Small Farms Network

Mike Tietze

East Turlock Subbasin GSA

Paul Towers

Community Alliance with Family Farmers

Sara Tiffany

Community Alliance with Family Farmers

CDFA BIPOC and Small-Scale Producer Advisory Committees



Mora Farms, Fresno County

EXECUTIVE SUMMARY

Managing Groundwater with Small Farms in Mind:

Risks, Barriers, and Opportunities of the Sustainable Groundwater Management Act



Dulce Organic Farm, Santa Cruz County

“

Sustainable groundwater management should not come at the expense of the very communities it is meant to serve.”

— Farmer in the San Joaquin Valley

The Challenge

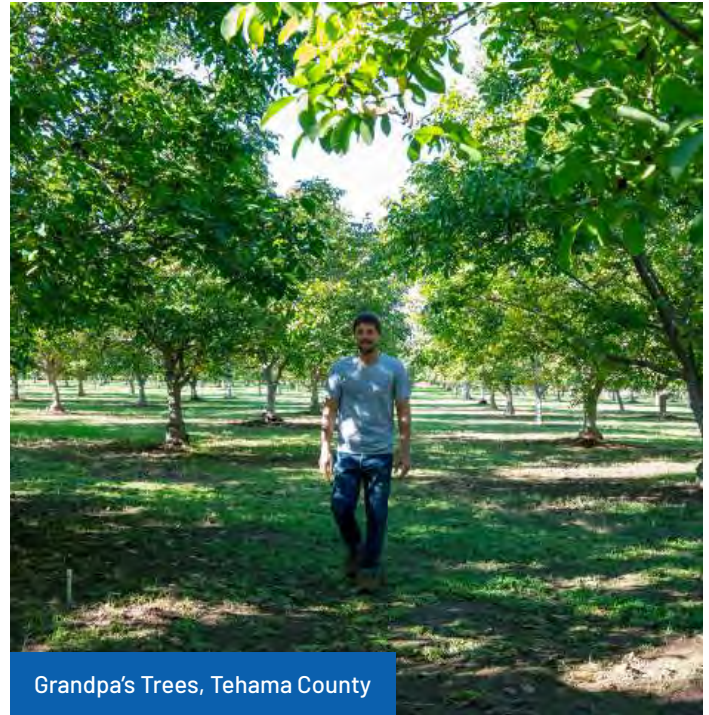
California's 2014 Sustainable Groundwater Management Act (SGMA) is a necessary step toward ending decades of unsustainable groundwater pumping. Yet, as local agencies work to achieve groundwater sustainability and farms across the state adapt to new regulations, there is a growing risk that small farms face disproportionate challenges in understanding and adapting to those rules. These producers anchor rural communities, local food systems, and cultural heritage across California, while contributing the least to groundwater overdraft.

Vital to the state's economy and the national food supply, California agriculture faces increasing challenges. Farmers are producing food in the face of volatile commodity markets, rising costs, complex regulations, and now, increasing constraints on the water they depend on. Within this landscape, small-scale farmers, including immigrant, refugee, tenant, and multi-generational family farmers, grow diverse and culturally significant crops that support food sovereignty and rural community resilience. Despite this valuable contribution, they are among the state's most vulnerable groundwater users and have fewer pathways to adapt and less capacity to absorb new costs.

SGMA identifies six "undesirable results" to avoid: chronic lowering of groundwater levels, reduced groundwater storage, seawater intrusion, degraded water quality, land subsidence, and depletion of interconnected surface water. This report argues that **the widespread loss of small farms should be understood as an emerging "seventh undesirable result"** — one that arises not only from overdraft itself, but from how groundwater management is designed and implemented. In using this framing, this report is not calling for statutory changes to SGMA — rather, it is a call for deliberate and proactive attention to prevent this outcome.

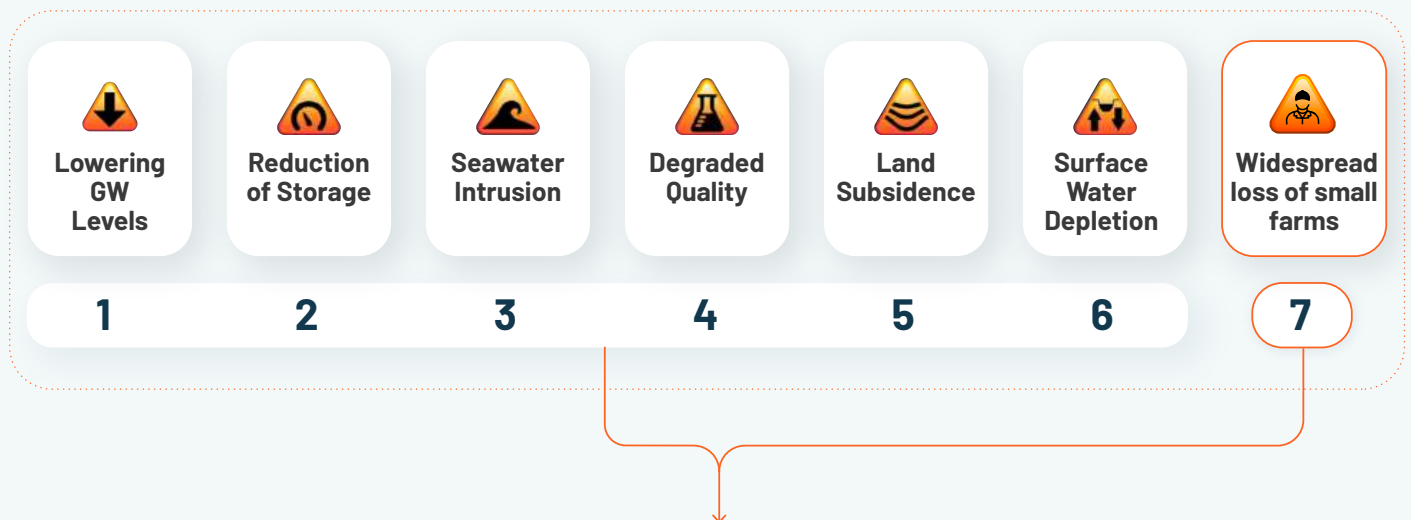
Small farms can be part of the solution to California's groundwater issues — through low-water-use crops, expansion of on-farm recharge opportunities, and long-term

land stewardship. As SGMA implementation continues, meaningful inclusion of small farms in management decisions can both protect rural livelihoods and food security, and provide additional tools for regional groundwater management.



Grandpa's Trees, Tehama County

Undesirable Results



The widespread loss of small farms should be understood as an emerging "seventh undesirable result" that arises not only from overdraft itself, but from how groundwater management is designed and implemented. This calls for deliberate and proactive attention to prevent this outcome (but is not intended as a statutory change to SGMA).

Findings

Findings of this report are the result of three years of direct engagement with small-scale farmers by Outreach Specialists across California through workshops, on-farm meetings, focus groups, statewide surveys, and review of Groundwater Sustainability Plans. The findings are consistent and concerning:

- Groundwater markets, land fallowing, recharge projects, and pumping fees — as currently structured — can unintentionally favor larger, better-resourced operations, which may contribute to the displacement of small farms.
- Small farms are subject to the same rates and regulatory complexity as larger operations, despite accounting for a small fraction of total groundwater use. For example, in the critically overdrafted Tule and Tulare Lake subbasins, **over 40% of pumpers account for only 1% of total water use.**
- Tenant farmers — who make up a significant share of small-scale producers — are often invisible to GSAs, which typically communicate only with landowners.
- Most small-scale farmers have limited awareness of SGMA — across outreach conducted in priority basins, **more than half of small-scale farmers had not heard of SGMA** before they met a SGMA Outreach Specialist.
- Satellite-based evapotranspiration monitoring tools used to estimate groundwater use are not well calibrated for diversified small farms, creating **risks of inaccurate assessments and overcharges.**
- Most surveyed small-scale farmers are concerned they may be **forced to shut down their operations.** This risk could intensify under inequitable implementation of SGMA, and this report outlines practical steps to help prevent that outcome.



EXAMPLES OF INCLUSIVE OUTREACH & MANAGEMENT ACTIONS

SONOMA GSAS

Inclusive Outreach

Contracted with CAFF to hire a small farm Outreach Specialist embedded in the farming community — expanding meaningful participation across monitoring programs, water use efficiency programs, and data exchange systems.

NORTH KINGS GSA

Accessible Engagement

Coordinated with UC ANR Fresno Small Farms bilingual team to provide targeted SGMA outreach and education to South East Asian small-scale farmers — creating space for inclusive engagement.

EAST TURLOCK SUBBASIN GSA

Cover Crop Accounting

Developed an innovative groundwater accounting approach that credits cover crop adoption by recognizing increased infiltration — directly incentivizing sustainable practice adoption.

PAJARO VALLEY WATER MANAGEMENT AGENCY

Recharge Incentive

ReNeM program offers landowner rebates based on infiltration volume — making on-farm recharge economically viable for smaller operations that would otherwise lack resources to participate.

Four Opportunities for Action

The report identifies four interconnected opportunities that, taken together, offer a practical and equitable path forward:

1

Identify Small-Scale Farmers Locally: Not all farmers carry equal responsibility for overdraft, yet most face identical requirements. GSAs should establish a transparent, locally grounded process to identify small-scale farmers who contribute minimally to groundwater overdraft yet face disproportionate risk. A proposed three-part framework suggests assessing water impact, community value, and financial vulnerability to distinguish these producers from larger, higher-impact water users. This identification is the essential first step toward equitable policy design.

2

Coordinate and Act to Keep Small Farms in Business: State agencies, GSAs, and farmers each have a distinct role. DWR should establish a dedicated fund for “Building Small Farm Resilience Under SGMA” to support technical assistance, small-farm liaisons, and inclusive governance. GSAs should evaluate how their outreach, fee structures, and management actions affect small producers and adjust accordingly. Small-scale farmers, in turn, should have meaningful pathways to participate in and shape groundwater governance decisions.

3

Implement Actions that Support Small Farms in Groundwater Management Decisions: Fifty actionable recommendations — organized across GSA general operations, management actions, and groundwater use regulation — can protect small farms while bringing them into the fold as part of the groundwater management solution. The recommendations include practical reforms to outreach and accessibility, governance and board composition, monitoring accuracy, fee design, water markets, recharge programs, fallowing alternatives, allocation models, and adjudication processes.

4

Support Equitable Transition Pathways: Support transitions that build low-water-use landscapes while preserving the social and economic benefits of small-scale, diversified, and local farming operations. Value small-scale and diversified farming operations as a viable alternative to land fallowing for current water-intensive operations. Land repurposing should prioritize systems that reduce groundwater use while protecting working lands and keeping working people on the landscape. For farms unable to sustain current operations, California should establish an “Equitable Transition Initiative,” offering coordinated technical assistance, financial support, and workforce training for farmers and farmworkers navigating land repurposing, crop transitions, or departure from irrigated agriculture.

The Case for Action

Equity and sustainability are not competing goals under SGMA — **they are mutually reinforcing**. Small-scale farmers contribute least to overdraft yet face disproportionate risk under current implementation, and their loss would undermine the rural economies, food systems, and cultural heritage that they sustain.

By embedding equity, transparency, and support into SGMA implementation, California has the opportunity to build a groundwater governance system that protects both its water resources and the farmers who depend on them.

The future success of SGMA will be measured not only by hydrologic indicators, but by whether California’s agricultural communities remain viable, diverse, and resilient.

INTRODUCTION



Agriculture is the backbone of California's rural communities and a cornerstone of the national food supply. In 2024, California farms and ranches generated more than \$61 billion in sales, leading the nation in agricultural production.¹

The state grows more than 400 commodities, including 14 crops that are not produced elsewhere in the US, making California agriculture critical for both the national food supply and global markets. **Although California agriculture is often associated with large-scale operations, the majority are small and mid-sized farms.** According to the 2022 USDA Census of Agriculture, farms under 500 acres represent 88% of all farm businesses in the state.² California agriculture includes nearly 10 million acres of irrigated agriculture, which depends heavily on groundwater to irrigate crops, sustain rural economies, and provide culturally significant foods for diverse communities.³ That dependence on groundwater makes it one of the most important resources in the national food system.

The economic success of California's agricultural industry at large masks an increasingly difficult production environment for individual farms. Farmers must navigate volatile commodity markets, rising costs for labor and agricultural inputs, increasingly complex regulatory requirements, and the loss of regional processing and distribution

infrastructure.⁴ Climate change is intensifying drought cycles and increasing heat stress on farmworkers, farmers, and crops. Structural changes in farmland ownership and investment patterns are also reshaping the sector, with farmland consolidation and investment-driven agriculture altering access to land, water, and capital.^{5,6} These overlapping pressures are particularly challenging for smaller and mid-sized farms that operate with limited financial reserves. Among these many challenges, one of the most significant and transformative is the increasing constraint on groundwater availability.

Groundwater is a foundational resource for California agriculture, **supplying up to 60% of the state's water in dry years.**⁷ Decades of largely unregulated pumping, combined with climate variability and expanding irrigation demands, have led to widespread groundwater overdraft in many basins, threatening long-term groundwater supplies. In response, California enacted the Sustainable Groundwater Management Act (SGMA) in 2014, establishing the state's first comprehensive framework for groundwater regulation. SGMA requires high- and medium-priority groundwater basins to achieve sustainable groundwater management within 20 years of adopting a Groundwater Sustainability Plan (GSP). These plans must avoid six statutory "undesirable results": chronic lowering of groundwater levels, reduction of

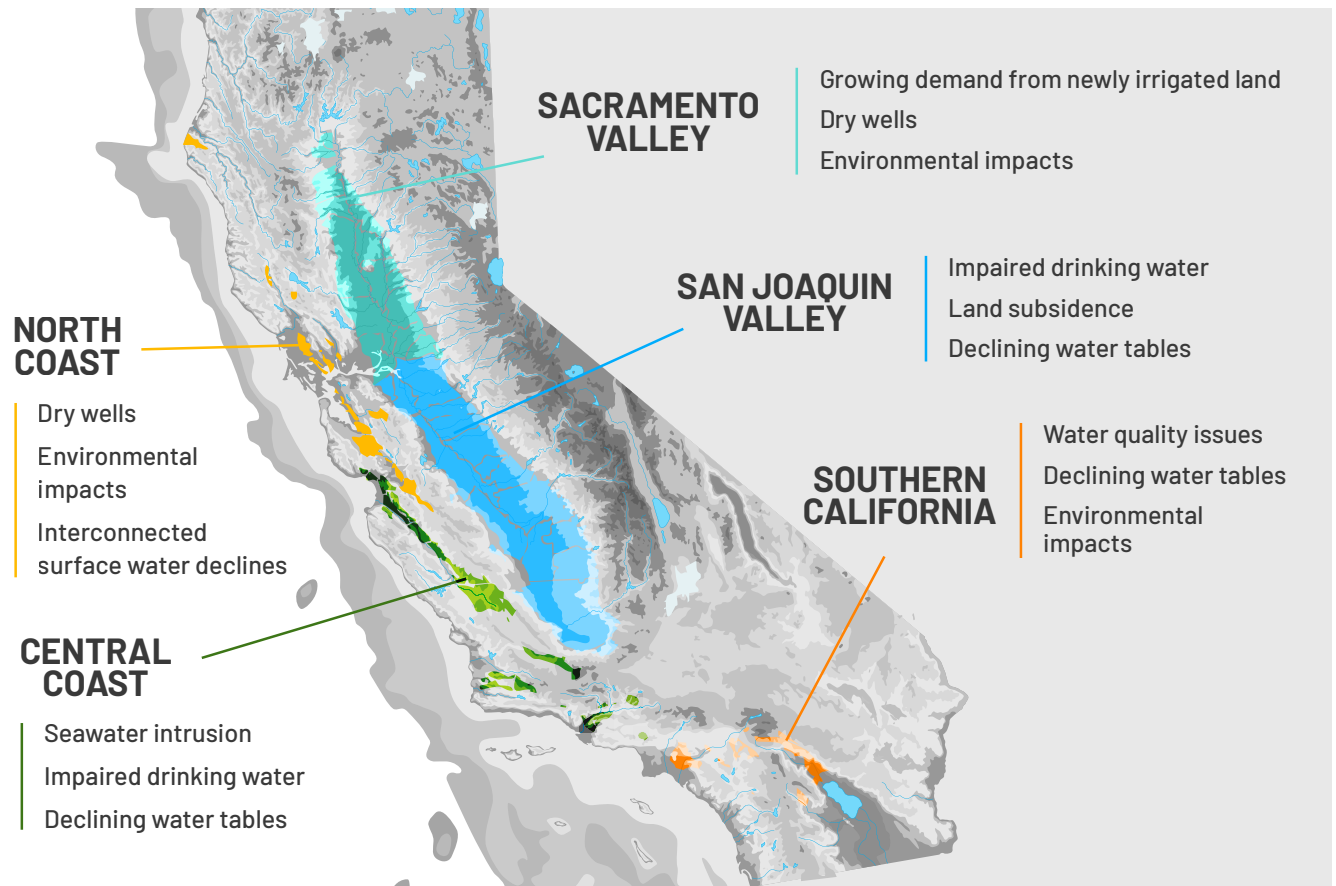


Figure 1. Highest priority issues vary across regions. Three high priority issues for each subbasin shown here.

groundwater storage, seawater intrusion, degraded water quality, land subsidence, and depletion of interconnected surface water. Responsibility for implementation rests primarily with Groundwater Sustainability Agencies (GSAs), reflecting the principle that groundwater is best managed at the local level. Over 250 GSAs now exist to manage groundwater locally. The California Department of Water Resources (DWR) has a dual role in SGMA implementation: (1) providing regulatory oversight through evaluation and assessment of GSPs and (2) providing assistance to local agencies through best management practices, guidance, planning, technical, and financial assistance. The State Water Resources Control Board (SWRCB) serves as the enforcement agency. Together, DWR and SWRCB ensure that local efforts are accountable, data-driven, and aligned with statewide goals for groundwater sustainability.

SGMA implementation is inherently complex. Groundwater conditions vary widely across California, and the six undesirable results are not experienced uniformly across or even within subbasins (Figure 1). In parts of the San Joaquin Valley, decades of chronic overdraft have produced severe groundwater level declines, dry wells, and widespread land subsidence (sinking of the Earth's surface as volumes of

water below the surface are removed). In other regions, the primary risk is seawater intrusion or the growing groundwater demand from newly irrigated land as operations are pushed out of the San Joaquin Valley.

At the same time, basins are at different stages of SGMA implementation, with varying timelines, governance structures, and management strategies. Given that more than 250 GSAs are responsible for this implementation, tracking all these differences is complex. As GSPs are implemented, their effects are beginning to reshape agricultural production across the state. Field research in the San Joaquin Valley documented instances of farm abandonment even before SGMA implementation reached full strength.⁸ While SGMA-related pumping limitations and groundwater management actions affect farms of all sizes, the impacts are often felt disproportionately by farmers with fewer resources and limited capacity to adapt. Many of these farmers rely on groundwater for both their drinking water and their irrigation practices. While this report does not focus on drinking water, it is critical to support SGMA implementation that addresses the intersecting needs of both small farms and drinking water users.

SMALL FARM DEFINITION

Small Farms & Small-Scale Farmers

Definitions of small-scale farmers vary across programs and agencies, and an appropriate definition may depend on the specific issue being addressed. The USDA defines small farms as operations with gross cash farm income below \$350,000 and CDFA's Underserved and Small Producer Program sets the threshold at \$400,000 annually (or up to \$1 million for dairy). DWR's Underrepresented Communities, California Tribes and Small Farmers Groundwater Technical Assistance (URCTA) program combines the Farmer Equity Act's definition of socially disadvantaged farmers with a combination of factors such as acreage (typically under 80 acres or 200 acres depending on other farm characteristics), direct-to-consumer sales, and crop diversity. UC Cooperative Extension focuses on farms outside traditional commodity-based extension programs, including diversified, value-added, niche, direct-marketed, limited-resource, beginning, and underrepresented operations. In the context of SGMA, it is important to identify small farms with higher vulnerability and risk of unintended consequences that might result from regional groundwater management decisions if their concerns are not explicitly addressed.

In this report, the terms **small farm** and **small-scale farmer** are used broadly to encompass a diverse range of producers whose characteristics differ across the state and who farm small acreages, often with limited resources compared to larger farms.⁹ In the context of SGMA, many rely on shallow irrigation wells and lack the capacity to adapt to groundwater

scarcity through investment in deeper wells or irrigation infrastructure. **They are among the state's most vulnerable groundwater users despite the high value that they bring to their communities and across California, producing local, diverse, and culturally significant crops that support food sovereignty, quality of life, and rural community resilience.**

The first "opportunity" in this document proposes an approach to identifying these farmers at the local level.



CT Farms, Merced County

Why Small Farms Matter to California

For many small-scale farmers, groundwater restrictions intersect with existing economic and structural pressures in ways that threaten their long-term viability and the benefits they provide to California communities. Many California consumers access fresh, local produce from small- to mid-scale family farms selling through local, direct, and retail markets including farmers markets, community-supported agriculture, or other direct markets.¹⁰ Currently, 2,191 farmers provide California consumers with fresh, seasonal, local produce at 724 certified farmers markets across the state, with additional farmers markets that are not certified.¹¹ Access to seasonal local produce can increase

quality of life for many California residents as well as improve connection between rural and urban areas of the state.¹² Small farms can also provide important benefits to natural resource stewardship, rural communities, and local food systems.^{9,13} Because small-scale farmers often live and work directly on or close to the land they farm, they have increased incentives to manage soil, water, and ecological resources with a long-term stewardship perspective compared to farms with absentee landowners or investment farms managed remotely. Crop diversity as well as non-crop biodiversity can be higher on smaller farms with potential landscape-level ecological benefits, and some integrated pest management tactics may be easier to implement on a small scale.^{14,15}

Small farms also generate economic benefits in rural communities through local purchasing and employment, while providing pathways for individuals to transition from farmwork into farm ownership. The diversification of crops and products, and shorter supply chains that are more common to small farms can also provide economic resilience and regional food security during periods of market disruption. Small farms contribute to food sovereignty by producing culturally significant crops and livestock that allow communities (often including immigrant communities) to maintain traditional diets. The vulnerability of these farms represents a potential loss – not only of individual livelihoods, but of the broader social, ecological, and economic contributions that smaller-scale operations provide to California communities. While larger farms may also provide benefits to communities and ecosystems, the local economies, fresh seasonal produce, and unique crops and products associated with small farms are a key aspect of life in California for many residents.

The potential decline of small farms that provide these socio-economic and environmental benefits warrants

serious and targeted consideration in how groundwater governance is designed and implemented.¹⁶ Small farms likely contribute relatively little to overall groundwater overdraft compared to larger operations. They also likely lack the capital, land, or water access needed to adjust to the new reality under SGMA implementation. The resulting loss of livelihoods, agricultural diversity, and rural economic stability was not captured within SGMA's six statutory undesirable results. However, these consequences are real and increasingly visible across agricultural regions. **For this reason, this report proposes that the widespread loss of small farms be understood as an emerging “seventh undesirable result” of SGMA implementation (Figure 2).** This is an issue that not only arises from groundwater overdraft itself, but also from how groundwater management is implemented to address it. In using this framing, this report is not calling for statutory changes to SGMA – rather, it is a call for deliberate and proactive attention to prevent this outcome. Recognizing this risk is essential for ensuring that groundwater sustainability is achieved while maintaining the vitality of California's agricultural communities.

Undesirable Results



The widespread loss of small farms should be understood as an emerging “seventh undesirable result,” that arises not only from overdraft itself, but from how groundwater management is designed and implemented. This calls for deliberate and proactive attention to prevent this outcome (but is not intended as a statutory change to SGMA)

Figure 2. Loss of small farms can be understood as an emerging “seventh undesirable result”. Groundwater management to avoid this outcome ensures true sustainability for SGMA implementation.

“

I agree with the sustainability goals of SGMA and the need to protect our groundwater resources while also safeguarding people and communities. However, this balance has been largely overlooked in the implementation process. As a result, there has been insufficient effort to provide meaningful assistance to growers and rural communities who are being negatively impacted by the transition. Sustainable groundwater management should not come at the expense of the very communities it is meant to serve.”

— Farmer in the San Joaquin Valley



Dulce Organic Farm, Santa Cruz County

To prevent the loss of small farms as an unintended consequence of SGMA implementation, this report identifies four opportunities for action across state agencies, GSAs, and farmers themselves that can value small farms while advancing groundwater sustainability. The following pages describe the methodology used in identifying these opportunities and describes the opportunities themselves:

1

Identify small-scale farmers locally: Each GSA should identify small-scale farmers within its jurisdiction who contribute minimally to groundwater overdraft yet face disproportionate risk, using criteria of relative groundwater use, operational vulnerability, and community contributions.

2

Coordinate and act to keep small-scale farmers in business: State agencies, GSAs, and farmers themselves each have a role. Coordination across these actors, through outreach, governance design, management actions, and regulatory structures, is essential to prevent small farms from going out of business.

3

Implement actions that support small-scale farmers in groundwater management decisions: Fifty actionable recommendations, organized across GSA operations, management actions, and groundwater use regulation. Together, these can protect small farms' agricultural contributions while bringing them into the fold as part of the groundwater management solution.

4

Support equitable transition pathways: Target SGMA-related land repurposing to reduce groundwater demand while expanding access for small-scale farmers by prioritizing transitions of large, water-intensive acreage. Invest in technical assistance, funding, and workforce development, and establish a coordinated Equitable Transition Initiative to support farmers and farmworkers with a focus on equity and regional coordination.

APPROACH TO WORK

This report draws on more than three years of outreach, technical assistance, and research with small-scale farmers and partners working on groundwater issues across California. Outreach was primarily conducted by 12 Outreach Specialists with Community Alliance with Family Farmers (CAFF) and UC Agriculture and Natural Resources (UC ANR) (Figure 3).

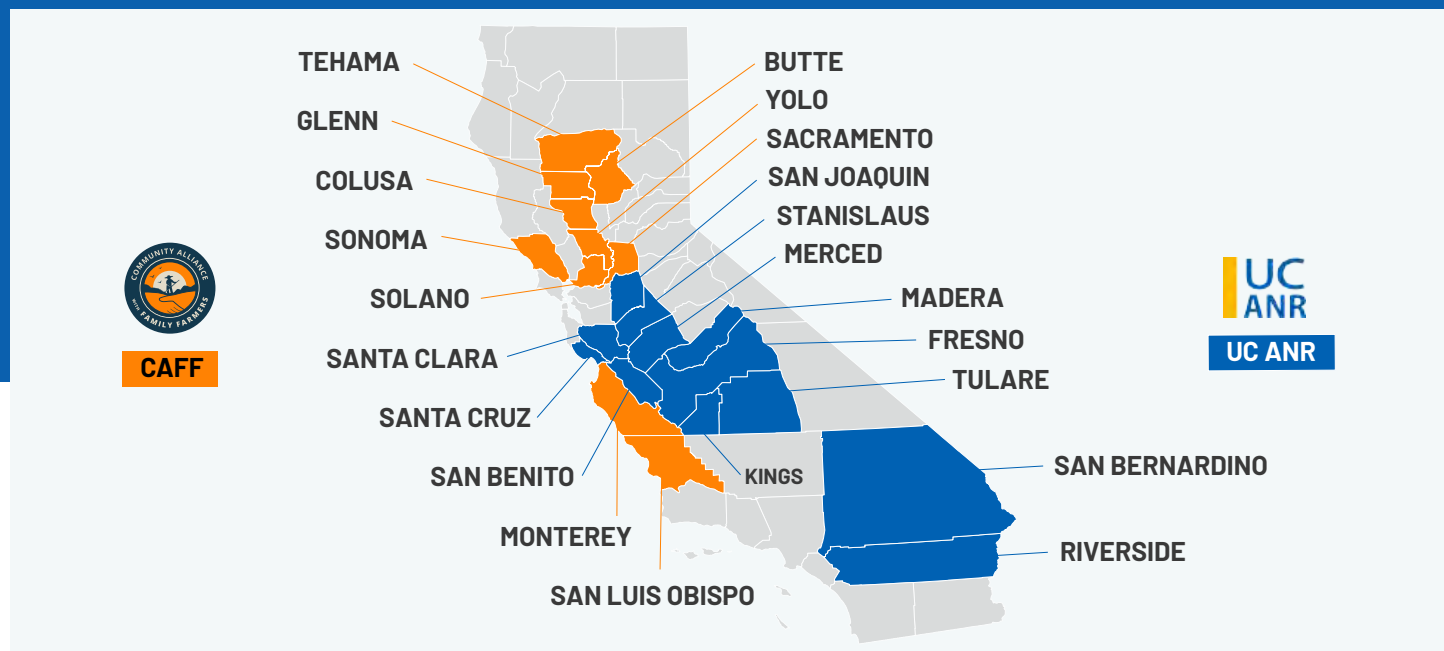


Figure 3. Locations of the CAFF and UC ANR Small Farm Outreach Specialists.

Findings draw on four sources. First, **in-depth interviews** and written reports from the small farm Outreach Specialists working statewide, conducting workshops, farm visits, one-on-one technical support, and multilingual outreach since 2024. These individuals work closely with small-scale farmers and serve as a bridge between policy and on-the-ground realities. Second, a UC ANR **statewide needs assessment** was conducted with a survey designed to capture SGMA-related barriers, risks, and opportunities directly from farmers. Distributed from November 2025 to May 2026, the survey included farm characteristics, GSA engagement experiences, and demographic information. Data collection occurred through regional focus groups, farm visits, one-on-one outreach and at conferences (see Additional Resources for survey questions). Dozens of completed surveys were included in the analysis presented in this document. Survey results from CAFF's 2025 Annual Farmer Survey were also included, which focused on questions of water access, water conservation practices, and pressing concerns related to water availability, cost, or quality. This survey had over 300 respondents across 51 California counties. Third, a **document review** related to SGMA implementation, including GSPs, annual reports, GSA Joint Powers Agreements, Memoranda of Understanding, and research on groundwater governance, rural economies, and

small farm challenges. Lastly, data from the **projects and management actions module** hosted on the DWR SGMA Portal was used to describe how select groundwater management activities are included in current GSPs. Together, these varied data sources built a grounded understanding of what SGMA means for small farms – not in theory, but in terms of both daily farm decision-making and long-term sustainability.

Early versions of the report went through multiple rounds of review with small farm Outreach Specialists, small-scale farmers, regional partners, GSA managers, academics, and community partners. Each review cycle incorporated feedback to refine wording, validate interpretation, and ensure the findings accurately reflected on-the-ground experiences across different regions. This iterative process helped strengthen the credibility and relevance of the final recommendations.

Like many efforts working across a large state and a diverse farm population, this work has limitations. California's regions present very diverse conditions, and some farmer groups remain harder to reach because of language, trust, access, or time constraints. Even so, the information gathered paints a clear and consistent picture of the challenges and opportunities small-scale farmers face under SGMA.

OPPORTUNITY 1

Locally Identify Small Farms Who Are Vulnerable Under SGMA Implementation



SB Farms LLC, Fresno County

The first step in avoiding the emerging “seventh undesirable result” is ensuring that GSAs explicitly recognize that not all agricultural water users contribute equally to overdraft. In some groundwater basins, there are many farmers who use little groundwater, yet face disproportionate risk under SGMA implementation.

Without acknowledging this distinction, equitable policy design is not possible. Opportunity 1 proposes a two-tiered approach. First, GSAs should identify and account for the population of small farms whose characteristics make them particularly vulnerable under SGMA and therefore warrant targeted accommodations. Second, within this broader group, GSAs should identify a narrower subset of farmers whose groundwater use is negligible and whose circumstances justify alternative requirements. This section outlines both the rationale for these distinctions and a practical, locally-grounded framework for making them.



Cardoza and Cardoza Farming, Tulare County

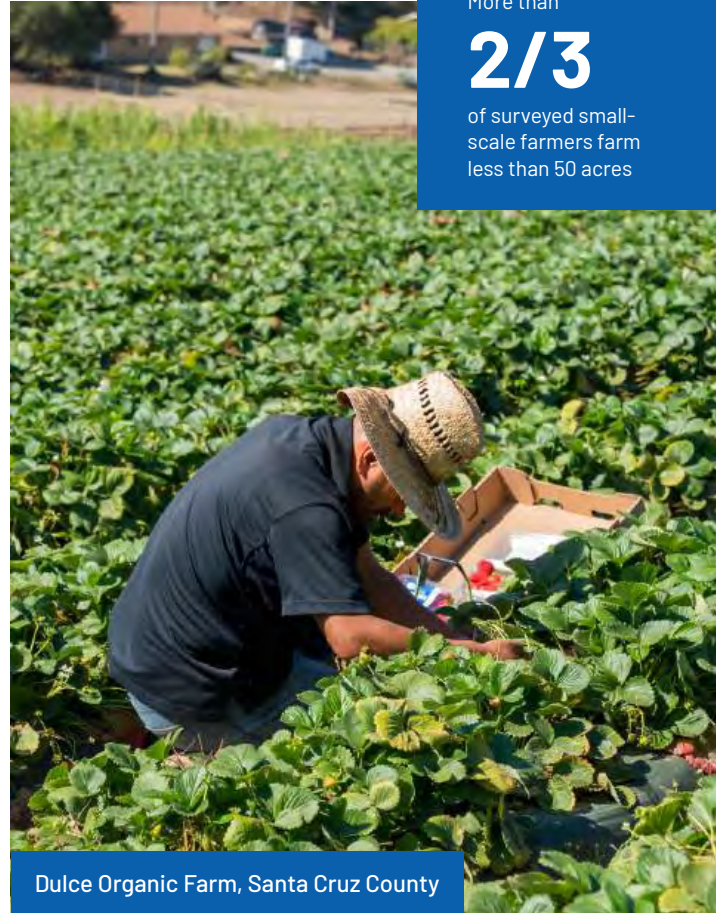
Acknowledging the Value and Vulnerability of Small-Scale Farmers

Groundwater management decisions are only as equitable as the distinctions they make among water users. Although SGMA treats agricultural water users as a single class of beneficial users, farmers vary widely in both their contribution to groundwater overdraft and their ability to adapt to new management requirements. Available data points to a potential structural imbalance: **many small farmers likely contribute little to overdraft compared to their neighbors.** Farms under 50 acres make up a majority of agricultural operations in California, yet their total groundwater use and acreage is minimal (Figure 4). Any accommodations directed towards these farms would benefit a lot of farmers with few if any undesirable results. **A recent statewide survey of small-scale farmers found that 70% of respondents farm fewer than 50 acres (n=63), a trend also found in the CAFF survey where over 80% of parcels were under 50 acres.** In the critically overdrafted Tule and Tulare Lake subbasins, a substantial share of pumpers (over 40%) account for only a marginal fraction (about 1%) of total groundwater use according to recent data shared by the SWRCB.^{17,18} Avoiding the emerging “seventh undesirable result” requires acknowledging this reality that a large number of farmers are likely low-impact water users. Due to economies of scale, these smaller operations tend to have fewer financial reserves, less access to capital, and more limited ability to absorb new costs or comply with complex reporting requirements. As a result, uniform regulatory approaches risk accelerating farm exit among those least responsible for groundwater overdraft.

More than

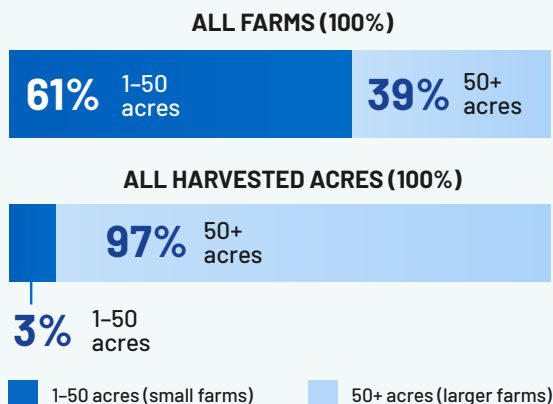
2/3

of surveyed small-scale farmers farm less than 50 acres



Dulce Organic Farm, Santa Cruz County

Small farms comprise the majority of farms but a small share of harvested acreage



Source: USDA Census of Agriculture 2022

Acreage alone is not a sufficient indicator of these dynamics. While farm size can signal relative regulatory burden, vulnerability is more meaningfully characterized by factors such as financial resilience, market access, land tenure, crop type, and social context (Figure 5). Part of what makes defining small farms so challenging is the inherent diversity of what is considered “small” around the state. **In the context of SGMA, there are three core characteristics that distinguish a broad group of small-scale farmers: minimal impact on groundwater extractions, substantial community value, and high financial vulnerability- all relative to their neighbors.**

Figure 4. Distribution of California farms and cropland according to farm size. While 50 acres is not a set definition of small farms, this demonstrates that many individuals are operating farms on small acreage. These farms are responsible for limited quantities of groundwater pumping based on their relatively small amount of acreage in production. Source: USDA Census 2022.¹⁹

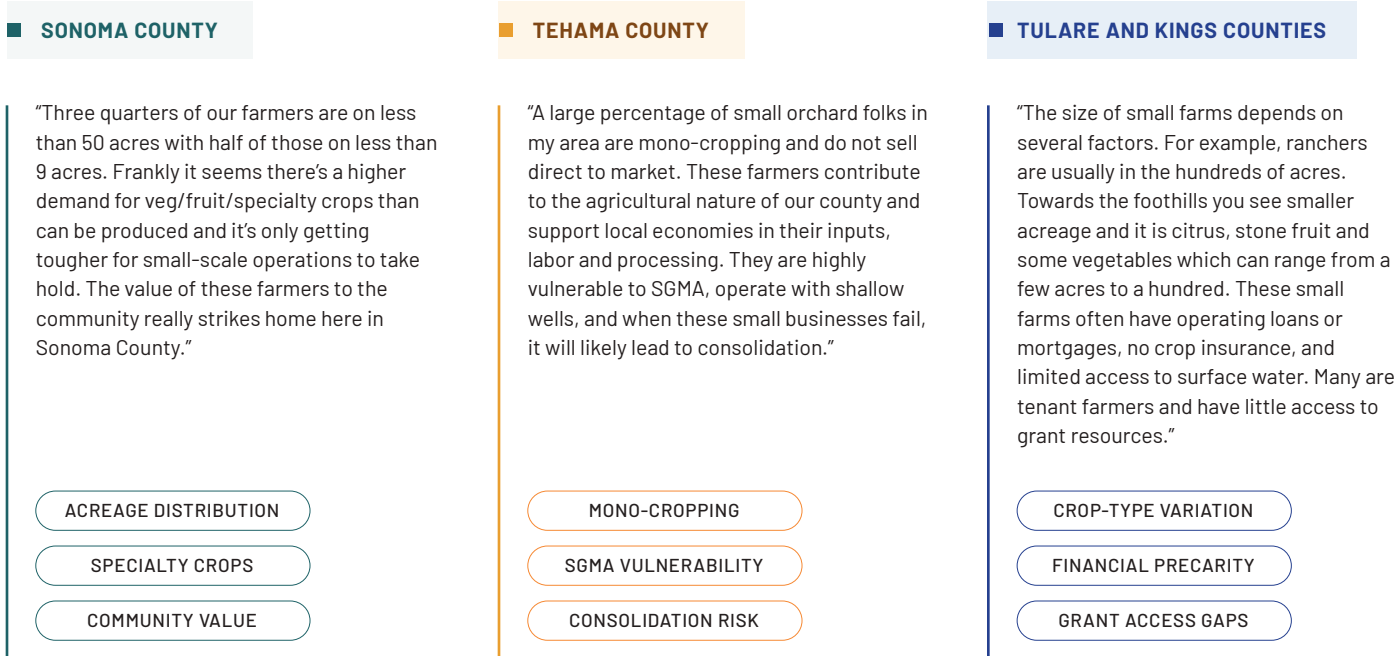


Figure 5. The Outreach Specialists capture the regional diversity of the small farm population.

Small-scale farmers are those who likely have **minimal impact on groundwater extractions** compared to neighboring farms. They often farm small acreages, grow crops with relatively low water use in combination with conservation practices, or pump relatively low volumes of groundwater. Despite their reduced-risk for contributing to groundwater overdraft, small-scale farmers are subject to the same regulatory frameworks, fees, and restrictions as relatively high-volume pumpers. Additionally, many small-scale farmers **provide substantial value to their communities**. They are often engaged locally, contribute to local food economies, and support food security and sovereignty. Production systems vary greatly throughout the state, with small-scale farmers near Fresno growing more than 70 types of vegetables, fruits, and herbs, while small farms in the Sacramento region grow strawberries, vegetables, and stone fruits for local consumption.²⁰ Lastly, small-scale farmers may be **highly vulnerable** to losing their livelihoods under SGMA implementation, as this report demonstrates through the range of financial risks they face. Compounding these challenges, many operate under social, operational, and financial constraints that limit their ability to adapt to groundwater restrictions, increasing the likelihood of farm exit. This risk is supported by results from state-wide surveys of small-scale farmers which found that **85% of respondents are concerned they may need to shut down their operations (n=54)** (Figure 6).

Farmers who meet these three characteristics are likely to be both least responsible for unsustainable groundwater conditions and most at risk under current implementation pathways. As such, they warrant **targeted accommodations**, such as adjusted fee structures, technical assistance, or flexible compliance pathways as described later in this report, to ensure that SGMA implementation does not disproportionately harm them.

3 out of 4
Surveyed small-scale farmers fear they may have to shut down their operations.



Figure 6. Many surveyed farmers fear they may need to shut down their operations.

Identifying a Subset of “Small Farm de minimis Pumpers”

Recognizing this broader group is a necessary first step, but is not sufficient. Within this population, there exists a smaller subset of farmers whose groundwater use is so limited that their impact on basin conditions is effectively negligible. For these farmers, even well-designed accommodations may be insufficient to protect their businesses and/or unnecessarily burdensome relative to their impact. This subset can be defined as “small farm de minimis pumpers” (Figure 7). For this group, equitable groundwater management may require not just accommodations, but **alternative requirements or exemptions**. This approach is consistent with emerging policy thinking, including recent recommendations from the Second Statewide Agricultural Expert Panel Report which recognize a category of “reduced-risk small farms” that could be defined as meeting a number of identified criteria associated with lower risk for nitrate leaching.²¹

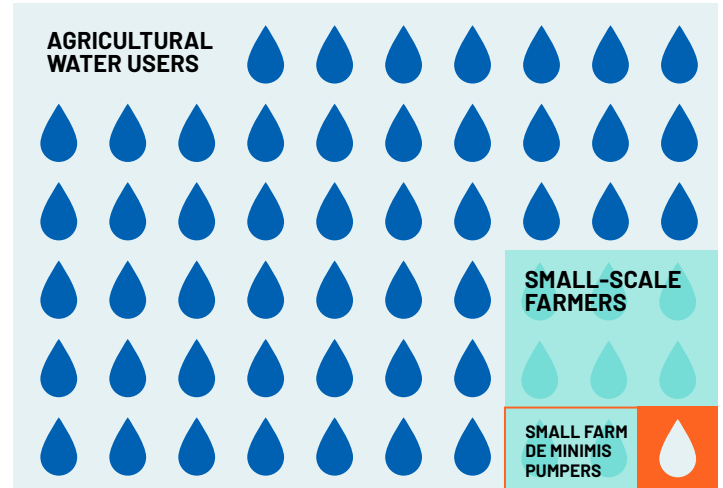


Figure 7. Conceptual subsets of beneficial groundwater users.



Farmer workshop at Laura's Apples, Sonoma County

Implementing such an approach requires a clear and defensible method for identifying eligible farmers. To support this process, we propose a **three-part identification framework** that GSAs can use to systematically identify the subset of “small farm de minimis pumpers”. This framework is based on characteristics of groundwater use, community value, and vulnerability (Figure 8). Farmers would qualify by meeting a **minimum of two criteria** within each of the three characteristics (six total), ensuring that eligibility reflects a combination of criteria, rather than a single factor. In practice, GSAs could collect the information themselves, or small-scale farmers could volunteer the data to demonstrate eligibility. Providing sufficient documentation would require significant effort by the farmers, who would likely benefit from technical assistance to support this process. This framework is intended as a guiding structure; a formal protocol for implementation, verification, and documentation would still need to be developed to operationalize it at the basin level.

These criteria encompass the farms that truly have minimal impact on the groundwater basin. There are many other farming operations, particularly mid-sized farms, who

contribute meaningfully to California agriculture and may still be vulnerable under SGMA. These farms are all integral to California, and would also be supported by the suite of recommendations detailed in Opportunity 3 of this report. They are not included in this “small farm de minimis” definition because their water use is not negligible in most groundwater basins. For these farms who are not “small farm de minimis,” more opportunities are needed to positively value and reward practices or production changes toward soil management for water retention and irrigation practices that conserve water.

Using this framework, GSAs can accommodate the subset of small-scale farmers whose total groundwater use is negligible at the basin scale, but whose loss would have outsized social, cultural, and economic consequences. Many such farmers are tenant farmers or socially disadvantaged, with limited access to capital, insecure land tenure, and constrained participation in SGMA processes. Despite these challenges, they play an outsized role in sustaining local food systems and community wellbeing and warrant protective actions.

Proposed framework to categorize “small farm de minimis pumpers”

1 Part 1: Verify the water user has minimal impact on groundwater extractions by continuously meeting at least 2 of the following criteria

SMALL FARM CRITERIA		“SMALL FARM DE MINIMIS” CRITERIA		DATA SOURCES FOR ASSESSMENT
Small acreage	----->	The user’s farm is in the bottom 3% of the farm sizes in the GSA, and under or equal to 80 acres	----->	- GSA records - County Pesticide Use Reports
Low water use cropping system	----->	The user grows a crop that requires 2 AF per acre or less per year	----->	- Scientific documentation of crop water use - GSA records
Low-volume pumping (if data is available)	----->	The user’s groundwater use is below a threshold determined to be negligible by the GSA based on model error	----->	- Flow meters - GSA records (from ET models) - Groundwater budgets

2 Part 2: Verify the water user provides value to their local community by continuously meeting at least 2 of the following criteria

SMALL FARM CRITERIA		“SMALL FARM DE MINIMIS” CRITERIA		DATA SOURCES FOR ASSESSMENT
Local engagement	----->	The user provides community building education events and programs OR the user lives in the county where they farm OR the user lives within 50 miles of their farm	----->	- Self reporting - Documentation
Support local food economies and access	----->	The user sells 50% or more of products to direct markets within California (e.g., schools, prisons, hospitals, farm stands, CSAs, farmers markets, restaurants, local grocery, and aggregators that sell locally)	----->	- Certified producer certificate for farmers markets - Self reporting - Documentation
Contribute to food security and sovereignty	----->	The user cultivates niche crops that are not otherwise widely accessible	----->	- County Pesticide Use Reports - Certified producer certificate for farmers markets - Self reporting - Documentation

3 Part 3: Verify the water user is vulnerable to losing their livelihood under SGMA by continuously meeting at least 2 of the following criteria

SMALL FARM CRITERIA		“SMALL FARM DE MINIMIS” CRITERIA		DATA SOURCES FOR ASSESSMENT
Depend on shallow groundwater	----->	The user’s well depth is more shallow than the nearest minimum threshold	----->	- GSA records - OSWCR database - Self reporting - Documentation
Lack of adaptive capacity	----->	The user is a sole proprietor or a business with 4 or fewer full time employees OR the user’s household income is below the threshold for California Food Assistance OR the user rents more than 50% of their farmland.	----->	- Self reporting - Documentation
Disadvantaged	----->	The user is a member of a socially disadvantaged group as defined by AB 1348	----->	Self reporting

Figure 8. A proposed three-part framework for identifying “small farm de minimis pumpers” at the local level. This subset of small-scale farmers have minimal impact on groundwater resources relative to neighboring farms, contribute substantial benefits to their communities, and are highly vulnerable to losing their livelihoods due to the evolving regulatory landscape.

Because California agriculture is highly variable across the state, identifying both the broader group of vulnerable small farms and the narrower subset of “small farm de minimis pumpers” should occur at the local level. GSAs are best positioned to incorporate local knowledge, available data, and farmer input into this process, although state support will be necessary to ensure consistency and capacity. To this end, DWR should create a fund for “Building Small Farm Resilience Under SGMA” to support this (and other) work, with detailed suggestions provided throughout this report.

Distinguishing among water users based on impact and vulnerability is foundational to equitable groundwater management. Without it, SGMA implementation risks imposing the greatest burden on those who contribute least to undesirable outcomes. At the same time, identification alone is not sufficient. Recognizing a broader group of vulnerable small farms should lead to targeted accommodations (such as tiered fee structures), while identifying the subset of “small farm de minimis pumpers” should enable alternative requirements, exclusions or exemptions through the proposed framework. Together, these steps establish a pathway toward groundwater management that is both effective and equitable. Opportunity 2 builds on this foundation by outlining how GSAs, DWR, and small-scale farmers can work together.

At the same time, identification alone is not sufficient. Recognizing a broader group of vulnerable small farms should lead to targeted accommodations (such as tiered fee structures), while identifying the subset of “small farm de minimis pumpers” should enable alternative requirements, exclusions or exemptions through the proposed framework.



Pine Creek Farm, Butte County

OPPORTUNITY 2

Coordinate and Act to Keep Small-Scale Farmers in Business



Identification alone is insufficient because small-scale farmers often operate with limited margins and adaptive capacity, therefore uniform allocations, fees, or reporting requirements may unintentionally impose disproportionate burdens.

Once small-scale farmers are recognized, GSAs should make deliberate choices to support their continued viability and state agencies should provide guidance, funding, and oversight to support this effort. This section examines the opportunity to make more equitable groundwater management decisions, starting with the complementary roles for stakeholders with interests that converge around SGMA.

While SGMA was designed to empower local groundwater governance, achieving equitable outcomes for all agricultural stakeholders requires coordination among key actors (Figure 9). Each stakeholder plays a distinct and complementary role. Although most implementation decisions occur at the GSA level, careful coordination among these actors is essential to ensure that groundwater sustainability is achieved without disproportionate harm to small farms.

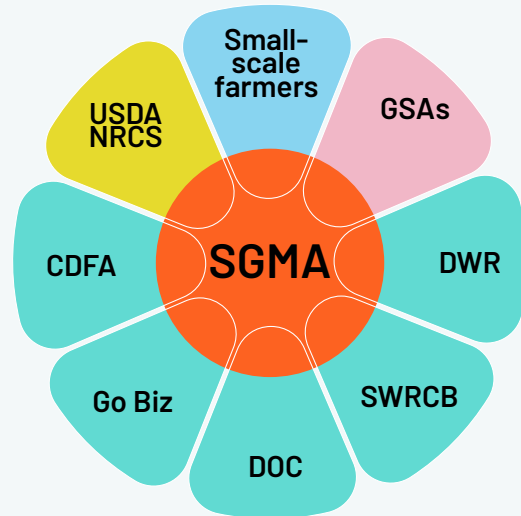


Figure 9. Each entity has distinct roles and priorities, but they share an interest in groundwater sustainability, agricultural viability, and community resilience that converge around SGMA. This common interest highlights a need for intentional coordination and alignment for sustainable and equitable groundwater management.

California Dept. of Water Resources (DWR), State Water Resources Control Board (SWRCB), Dept. of Conservation (DOC), Dept. of Food and Agriculture (CDFA), United States Dept. of Agriculture Natural Resources Conservation Service (USDA NRCS), and Governor's Office of Business and Economic Development (Go Biz)

Role of State Agencies

As the state agency responsible for overseeing SGMA, DWR plays a central role in advancing equitable implementation, an effort that will require dedicated resources. To support this, DWR should establish a “Building Small Farm Resilience Under SGMA Fund,” targeted primarily to high- and medium-priority subbasins. By investing at the state level, DWR can prevent these costs from being shifted into local fee structures, which would otherwise exacerbate financial burdens for the very farmers these recommendations aim to support. The Fund would serve multiple purposes: sustaining and expanding programs such as URCTA that provide technical assistance to small-scale farmers, and directing resources to GSAs as they implement inclusive management strategies and identify small farms in their subbasins. In addition, DWR should create a small farms best management practice and guidance document for GSAs to support them in implementing best management practices for protecting small-scale farmers. This document could include a protocol for identifying “small farm de minimis pumpers” based on the proposed framework in Opportunity 1.

Another component of the “Building Small Farm Resilience Under SGMA Fund” is the “Equitable Transition Initiative” described further in Opportunity 4, a collaborative venture including California Department of Food and Agriculture (CDFA) and the Department of Conservation (DOC), two state agencies offering several important programs that can lead to positive outcomes for small farms. Through aligned funding, program support, and policy guidance, these agencies can empower GSAs to balance groundwater sustainability targets with the economic realities of small-scale agriculture. Similarly aligned federal agencies like the USDA’s Natural Resources Conservation Service (NRCS) can also play an important programmatic and funding role.

Another state agency, the State Water Resources Control Board (SWRCB), provides an enforcement backstop in SGMA implementation. When assessing fees in probationary basins, SWRCB can provide exemptions for “small farm de minimis pumpers,” consider forms of tiered fees, manage recharge permits to incentivize on-farm recharge basins near vulnerable wells, and ensure that programs like Irrigated Lands Regulatory Program (ILRP) and Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) are coordinated with SGMA implementation (as described in Opportunity 3 – General Operations).



Capay Hills Orchard, Yolo County

STATEWIDE TECHNICAL ASSISTANCE

URCTA Program, Department of Water Resources

Launched by DWR in 2021, the Underrepresented Communities, California Tribes, and Small Farmers Groundwater Technical Assistance (URCTA) Program works to identify the needs, risks, and vulnerabilities of communities affected by SGMA implementation. The program provides localized technical assistance to help California tribes, small-scale farmers, drinking water well users, groundwater-dependent ecosystems, and underserved communities understand SGMA, participate in decision-making, and comply with emerging groundwater requirements.

URCTA operates through partnerships with locally based organizations, bringing trusted, community-connected support to those who need it most. The small farms portion of URCTA includes the Community Alliance with Family Farmers (CAFF), University of California Small Farms Network, the University of California Davis Small Farmer Water Justice Clinic, Cuyama Valley Small Farmer and Rancher Network, and others.

Role of Small-Scale Farmers

Small-scale farmers in California face a complex mix of operational, regulatory, and financial challenges that can limit meaningful participation in groundwater governance. Although SGMA calls for inclusion of all “beneficial users” of groundwater, these farmers often encounter barriers to engagement, including limited access to information, language and time constraints, and lack of familiarity with technical processes.²² Recommendations made in the following pages will facilitate their participation in GSA meetings, advisory committees, and stakeholder processes. Engagement not only improves policy design but also strengthens their technical understanding and capacity to advocate for practical, fair solutions. Small-scale farmers who serve in representative roles can be essential bridges between GSAs and groundwater-dependent communities that may otherwise remain underrepresented. Effective inclusion of small-scale farmers in GSA processes will facilitate development of innovative strategies for groundwater management involving alternative crops, on-farm recharge, and land repurposing. Importantly, we acknowledge that all farms in California have a role to play in conserving groundwater use, and small farms can continue to innovate and implement strategies to reduce their water usage.



Mo'Jus Farm, Yolo County

Role of GSAs

The greatest opportunity for equitable SGMA implementation lies with the GSAs. Many GSAs are working in good faith under significant constraints, and examples of inclusive groundwater management already underway are highlighted as case studies throughout this report. However, further progress is possible. With financial and policy support from the state, GSAs should evaluate how their groundwater planning and implementation including outreach efforts, projects, allocations, fee structures, and regulatory processes uniquely affect small-scale farmers and adjust accordingly.

Equally important is including small-scale farmers in governance, not merely as regulated entities, as will be explored in detail in the following section (Opportunity 3 General Operations). By embedding inclusivity into core operations, GSAs can better fulfill SGMA's intent of locally-driven and representative groundwater management. Additional equitable actions by GSAs may include establishing a classification for small farms in their basin and adopting alternative governance conditions such as tiered or reduced water use rates.

Alignment Across Levels of Governance

Equitable groundwater management under SGMA depends on alignment across state guidance, local implementation, and farmer participation. DWR and other state agencies should provide the enabling framework and resources, small-scale farmers should contribute local knowledge and lived experience, and GSAs should translate those inputs into fair and workable policies. Strengthening coordination among these actors will be essential to achieving groundwater

sustainability while preserving small-scale agriculture in California.

With roles clarified and a framework for coordination in place, the next section addresses the decisions GSAs are making every day. Opportunity 3 provides recommendations for GSA activities where the risks to small farms are greatest and the opportunities for equitable action are most concrete.



Evenson Family Farms, San Luis Obispo County

OPPORTUNITY 3

Implement Actions that Support Small-Scale Farmers in Groundwater Management Decisions

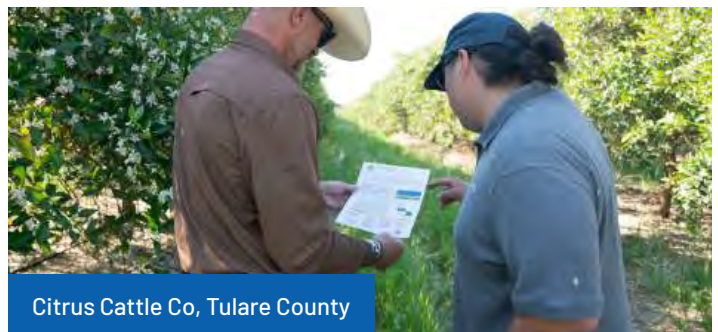


Cardoza and Cardoza Farming, Tulare County

Opportunity 3 drills down on GSA-level decisions and provides 50 actionable recommendations. It is organized across three critical domains where small-scale farmers face heightened risks:

- General operations, encompassing outreach, accessibility, GSA board composition, local capacity, and financing mechanisms.
- Management actions covering programs such as water markets, recharge projects, and land management initiatives.
- Groundwater use regulation including monitoring, allocation and fee structures, and appeal mechanisms such as adjudications.

Structural, technical, and financial risks are described in each domain followed by targeted recommendations. These recommendations are designed to reduce the risk that small farms go out of business due, in part, to regulatory structures that larger operations are better positioned to navigate.



Citrus Cattle Co, Tulare County

OPPORTUNITY 3: GSA GENERAL OPERATIONS

Outreach and Community Engagement

SGMA requires GSAs to develop outreach programs that engage a diverse range of social, cultural, and economic interests, including California Native American Tribes and disadvantaged communities.^{23,24} Many GSAs have invested considerable effort into developing transparent, informative, and welcoming outreach programs. However, these efforts often fall short in meaningfully reaching and involving small-scale farmers, particularly those from historically underrepresented or socially disadvantaged backgrounds. A survey of disadvantaged communities across the San Joaquin Valley found that 87% of respondents were unfamiliar with SGMA, underscoring major gaps in public awareness and engagement.²⁵ Across outreach conducted in priority basins, more than half of small-scale farmers had not heard of SGMA before they met a SGMA Outreach Specialist. An even lower share were familiar with their local GSA or upcoming demand management actions.

Although SGMA calls for the participation of all “interested parties” and consideration of all “beneficial uses and users” of groundwater, research shows that groundwater-dependent users are often underrepresented in these agencies. A 2020 study on farmer participation in SGMA found that small and groundwater-dependent farmers were significantly underrepresented in GSAs and advisory committees.²⁶ The 2022 Underrepresented Farmers and SGMA report reviewed 14 GSPs and found no significant effort to identify, engage, or incorporate feedback from small-scale farmers.²⁷ Because of the multiplicity of GSAs in some counties, the use of acronyms and technical language, and the voluminous documents required to conduct SGMA business, becoming engaged in the process can be confusing and even intimidating.

GSAs typically send official announcements, ballots, and invoices to property owners, inadvertently creating a significant gap in outreach and coordination with tenant farmers who are the primary water users. **Statewide survey results found that 57% of respondents rent some or all the land they farm (n=63), a slightly higher rate than the results from CAFF’s survey where 39% of farm owners/operators reported that they lease at least some of their land.** These results for small-scale and family farms are more than double the state average of 20% of farms operated by renters.²⁸

Approximately

1/2

of surveyed small-scale farmers rent at least some of their farmland



C&R Farm, Merced County

Tenants may be unaware that GSA records need to be updated, leaving GSAs with outdated contact lists that fail to reach the individuals actually farming the land and making water management decisions. In some cases, there are multiple layers of rental agreements when a master tenant sub-divides their parcel to rent to others, further complicating the flow of information. Farmers also frequently experience confusion about how SGMA intersects with other regulatory programs, particularly the Irrigated Lands Regulatory Program (ILRP), including fees, reporting requirements, and overlapping missions. Currently, there is little to no coordination between the regulatory bodies overseeing SGMA (DWR and GSAs) and ILRP (SWRCB and third party water quality coalitions) or CV-SALTS (SWRCB), compounding this confusion.

■ CASE STUDY

Groundwater Bills Without Context

In early 2026, a small-scale farmer in Merced County received a large, unexpected bill from her GSA and did not understand what it was for or how to respond. An URCTA-funded Small Farm Outreach Specialist stepped in to help explain the process and purpose of the fee.

“She didn’t know why the water district was sending her fees. I explained the process and once she understood she was fine with it. But she has a big bill because she hadn’t known what the fees were and didn’t know what to do. Additional explanations go a long way with these farmers.” — Small Farm Outreach Specialist, Central San Joaquin Valley

With a clear explanation, the farmer understood the intent of the fee and didn’t dispute it, illustrating the effectiveness of targeted outreach and the importance of clear communication. However, when the Outreach Specialist attempted to verify how the fee was calculated, she spent several hours trying to locate supporting data and could not clearly trace the methodology. While GSAs are working hard to implement complex groundwater accounting systems, this case highlights an ongoing challenge: When billing data and methodologies are not easily accessible or transparent, even well-supported farmers and experienced intermediaries may struggle to fully understand SGMA-related costs.

Risks

Outreach and Community Engagement

Missed communication with tenant farmers: Most GSAs communicate directly with landowners, so tenants who are actually farming the fields and making water management decisions may be left out. This limits their ability to participate in public meetings, provide input on proposed actions, and in some cases access essential groundwater data. Tenant farmers may be unaware of GSA actions, including penalty fees, if notices were only sent to the landowner or rental company.

Confusion between SGMA and ILRP: Unclear distinctions between fees, reporting requirements, and overlapping missions increase the risk that small-scale farmers misunderstand program requirements and view both programs negatively. As the CDFA Regulatory Alignment Study noted, without shared messaging across agencies, producers may receive fragmented guidance, leading to confusion, missed deadlines, or duplicated efforts — a challenge especially acute for small-scale and socially disadvantaged producers.²⁹



Limited capacity for participation: Many small-scale farmers lack the time, staff, or resources to actively engage with GSAs. As the primary labor force on their farms, they have limited capacity to attend GSA meetings and activities, reducing the diversity and representativeness of participants.

Missed opportunities for local partnerships: GSAs that do not collaborate with local farm organizations risk missing critical opportunities to build credibility, ground-truth decisions, and expand outreach to the farming community.



Red Gate Ranch, Tehama County

Recommendations

Outreach and Community Engagement

1

Conduct targeted and coordinated outreach (GSA): Share materials in multilingual and multi-modal formats (fact sheets, video explainers, workshops, office hours), directly from the GSA and through local agricultural organizations (Resource Conservation Districts (RCDs), NRCS, nonprofits, UC Cooperative Extension, CAFF, etc.). Reach out to lessees and farm operators and leverage existing local networks to improve engagement with small-scale and tenant farmers.

2

Establish a small-scale farmer liaison (GSA/DWR): Using the proposed DWR fund for “Building Small Farm Resilience under SGMA,” create small-scale farmer liaison positions to serve as a primary point of contact, coordinate outreach, and represent small-scale farmer interests to GSA Boards. The positions could be regional, not necessarily GSA-specific and the network of UC Cooperative Extension Small Farms Advisors offers an excellent model. A similar recommendation was made by the CDFA Regulatory Alignment Study.²⁹

3

Develop cross-program coordination (GSA/DWR/SWRCB): Develop collaborations between state agencies to facilitate GSAs and ILRP watershed coalitions in streamlining and aligning processes and fee structures. Develop local outreach materials that explain the distinctions between SGMA and ILRP, and sponsor joint informational workshops covering multiple regulatory topics and agencies.

4

Invest in small farm technical assistance (DWR): Using the proposed DWR fund for “Building Small Farm Resilience under SGMA,” continue to invest in the URCTA technical assistance program, empowering small-scale farmers to participate in local groundwater management.

5

Expand the Regulatory Alignment Study to include SGMA (CDFA): CDFA’s Regulatory Alignment Study draft recommendations do not specifically include alignment across the SGMA program. The state should address this shortcoming by developing recommendations and best practices for coordination of SGMA, ILRP and CV-SALTS.

6

Encourage outreach to tenants (GSA): Encourage landowners to share all SGMA-related communications with tenants, including mailed materials, and enable tenants to have direct, co-equal access to GSA digital portals.

OPPORTUNITY 3: GSA GENERAL OPERATIONS

GSA Accessibility

As public agencies, GSAs are subject to the open meeting requirements of the Brown Act, which ensures the public's right to attend meetings, comment on agenda items, and access meeting materials in advance. Many GSAs follow these requirements rigorously - maintaining up-to-date websites, posting materials well in advance, and ensuring reliable online access - practices that build trust and community buy-in essential to SGMA's long-term success. However, accessibility varies across subbasins, and some GSAs, particularly those with limited staff capacity and resources, struggle to consistently meet these requirements, creating barriers for farmers with limited time to engage.

“

The board isn't getting documents in advance of the meetings which makes the meetings less productive. The website has no straightforward calendar, agendas aren't posted, meetings are cancelled. It's like the flow of information is getting blocked.”

— Small Farm Outreach Specialist, Sacramento Valley

GSAs often use Memoranda of Understanding agreements to establish working groups or committees that address issues such as demand management or coordination across subbasins. Because these meetings typically do not include a quorum of any one GSA's board members (sometimes by design), they are not subject to the Brown Act and are not always open to the public, limiting transparency and restricting opportunities for meaningful early-stage stakeholder participation.

Language can also be a significant barrier for small-scale farmers. **In a recent statewide survey, 44% of respondents prefer to communicate in a language other than English (n=61).** In one high priority subbasin, a Proposition 218 public hearing to count Benefit Assessment ballots had to be postponed because many farmers were unable to read their ballots without a Spanish translation. The ballot ultimately failed, underscoring the consequences of insufficient language accessibility.

Access to online groundwater platforms and data reporting tools presents additional challenges. Many GSAs have transitioned to digital systems for managing groundwater use data, monitoring reports, or checking allocations. However, digital literacy and access to reliable internet varies widely among farmers, particularly among older growers, immigrant farmers, and non-English speakers. Data access is further complicated by the landowner-tenant divide: GSA systems typically link accounts to property ownership records, meaning tenants - often the primary water users - cannot access groundwater data or reporting portals unless the landowner explicitly grants permission. Improving accessibility requires not only functional websites and transparent governance, but intentional design of digital tools that account for the diversity of users, varying levels of digital proficiency, and the realities of tenant farming in many subbasins.



Evenson Family Farms, San Luis Obispo County

Risks

GSA Accessibility

Limited participation undermines SGMA: When meetings, materials, and processes are not accessible, small-scale farmers are less likely to engage and valuable insights may be missed. This failure to include all relevant stakeholders reduces local ownership of SGMA goals.

Closed committee discussions erode transparency and trust: When working groups and committees are not public, small-scale farmers and community members lose opportunities to weigh in on key decisions early in the process. This lack of transparency can foster mistrust and opposition to GSA decisions.

Digital barriers increase noncompliance risk: Farmers without reliable internet access or digital literacy may miss reporting deadlines or misunderstand requirements, leading to inadvertent noncompliance and penalties.

Language inaccessibility reduces effective communication: When outreach materials, ballots, or reporting instructions are not available in languages commonly spoken by the farming community, key information may be misunderstood or ignored, increasing the risk of procedural failures or nonparticipation.

Recommendations

GSA Accessibility

7

Require Brown Act training and facilitation support (GSA):

Local agency officials are required by AB 1234 to take an Ethics Training that includes the Brown Act. The training is only required for Boards where members are compensated in any way but the requirement should be enforced for all GSA board members. Likewise, facilitation support via DWR-funded Facilitation Support Services or other facilitation training should be encouraged.³⁰

8

Establish and maintain inclusive information sharing (GSA):

GSAs should establish and maintain user-friendly, mobile-compatible websites with an up-to-date calendar of meetings with online accessibility, an archive of meeting agendas and recordings, and multilingual outreach materials in languages commonly spoken by small farmers in the region (e.g., Spanish, Punjabi, or Hmong). They should also establish regular, automated (when applicable) communications to distribute announcements, materials, and deadlines directly with farmers and through local farmer-affiliate organizations.

9

Support digital literacy (GSA): Offer workshops and training to help small-scale farmers navigate GSA websites, applications, and monitoring and reporting tools, including online portals.

10

Hold open meetings (GSA): Working group and committee meetings should be open to the public and follow Brown Act guidelines even if they are not technically subject to them.



Jelly's Ferry Ranch, Solano County

OPPORTUNITY 3: GSA GENERAL OPERATIONS

GSA Board Composition

SGMA was enacted during one of the most severe droughts in California's history, a period that brought public attention to declining groundwater levels, subsidence, and dry wells — especially in low-income rural communities. In response, SGMA directed implementing agencies to engage disadvantaged communities and include participation from those most affected by groundwater overdraft. However, the legislation limited GSA eligibility to local public agencies with water supply, water management, or land use responsibilities. As a result, GSA boards are largely composed of representatives from counties, cities, and reclamation, water, or irrigation districts.

These entities — particularly water and irrigation districts — have become key regulators of groundwater at the local level, yet many restrict participation to landowners through acreage-weighted voting. Only landowners can sit on boards and vote in elections in water, water storage, and reclamation districts, giving large landowners disproportionate influence while small farms, tenants, and non-landowners are effectively excluded. A recent Yale Law Journal analysis found that in most California groundwater basins, landowner-dominated entities hold major roles in groundwater governance.³¹ In many areas, they are the primary or even the only local entities controlling implementation of a crucially important regulatory program. These systems of representation may weaken accountability and create conflicts of interest in decisions about water markets, recharge, or allocation of SGMA funds. In one high-priority subbasin, the GSA delegated responsibility and funding for developing demand reduction plans to a water district dominated by large growers.

In several cases, water districts with non-democratic voting structures were created after SGMA passed, specifically to gain landowner access to GSA boards. When these districts form, small farmers with limited voting rights can become responsible for new fees while receiving few direct services beyond basic SGMA compliance. Because votes in these districts are allocated in proportion to land ownership, larger landowners become the decision-makers while smaller landowners are effectively shut out of the governance process. Outreach Specialists have identified five such districts created in direct response to SGMA, and additional cases likely exist statewide.

Many GSAs make a sincere effort to bring a wider group of stakeholders into their decision-making process, usually by incorporating them into advisory committees. However, the effectiveness of this approach depends on the commitment of the GSA and the resources and structure provided to those committees.

PROACTIVE SMALL-FARMER OUTREACH IN ACTION

Sonoma GSAs

Sonoma GSAs hired a small farm Outreach Specialist (through a contract with CAFF) to engage farmers who had been difficult to reach. The result: broader participation across the “Measure Up!” water monitoring program, the Water Use Efficiency Program, and the Groundwater Users Information Data Exchange. Farmers valued having someone from their own community offer approachable, practical ways to engage with the GSA.

North Kings GSA

Coordinated with UC ANR Fresno Small Farms bilingual team to provide targeted SGMA outreach and education to South East Asian small-scale farmers — creating space for inclusive small farm engagement.

Yolo Subbasin Groundwater Agency

Executive staff held periodic informal gatherings at a local coffeehouse, creating a forum for casual community dialogue at convenient hours and a comfortable, accessible location. Community members appreciated the opportunity to connect outside of formal meeting settings.



Covering Ground Farm, Butte County

Risks

GSA Board Composition

Governance structures limit small farmer input: Boards dominated by large landowners may lack awareness of small farm realities, leading to policies that unintentionally favor larger, better-resourced operations over small-scale and tenant farmers.



Lazaro Organic Farms, Monterey County

Recommendations

GSA Board Composition

11

Establish small-scale farmer standing committees (GSA/DWR): Using the proposed DWR fund for “Building Small Farm Resilience under SGMA,” support establishment of standing SGMA outreach committees if regional committees representing small-scale farmers do not already exist. Provide committees with regular GSA updates, staffing support, and a formal pathway for recommendations to be itemized on GSA board agendas and discussed publicly.

12

Adopt a feedback structure for tenant farmers (GSA):

Adopt a structure to solicit and incorporate feedback from small-scale tenant farmers since they are not represented on GSA Boards.

13

Adopt equitable voting structure for districts (Legislature):

Adopt equitable voting structures for water and irrigation districts. Require one-vote governance, given the importance of these districts in regulating groundwater, a common-pool resource.



Turkey Tail Farm, Butte County

OPPORTUNITY 3: GSA GENERAL OPERATIONS

Build Local Capacity

The formation of California's 250+ GSAs has created a sustained demand for local knowledge of hydrology, engineering, and outreach to enable GSAs to understand their subbasins and meet SGMA regulatory requirements.³² With limited budgets, many GSAs operate lean and rely on consultants from private firms and public agencies to cover their core functions. Consultants provide a deep bench of expertise that may not be replaced by staff. However, if science, planning, and outreach are handled primarily by consultants with limited meaningful local engagement, the results may not reflect on-the-ground conditions and local priorities. In these cases, key decisions are made with limited oversight, accountability is weakened, and recommendations fail to reflect local realities.

In the Sacramento Valley, overreliance on external consultants without parallel investment in local capacity has had tangible consequences. These include hydrologic analyses based on outdated data, limited understanding of local agricultural and cultural conditions, and parcel misclassifications that have produced flawed groundwater allocations and fee structures. In one case, a recharge pilot program was planned using outdated Army Corps of Engineers specifications that failed to reflect current creek flow dynamics, leading to incorrect flood-risk assumptions that damaged public trust and slowed community participation in the GSP process.

Building local capacity — through staff hiring, training, and partnerships with organizations like RCDs and farm-facing nonprofits — is essential to grounding GSA decisions in local realities. GSAs that invest in this manner are better positioned to develop realistic plans, maintain community buy-in, incorporate the interests of small farms and disadvantaged communities, and implement SGMA effectively over the long term. The ability of local organizations to effectively reach out to small-scale farmers was illustrated when CDFA staff from the Office of Agricultural Resilience and Sustainability compared funding through block grants to local organizations with direct-to-producer grants chosen by staff. In their programs, local organizations administering block grants gave significantly more funding to smaller farms than when CDFA staff made the decisions.³³

Risks

Build Local Capacity

Over-dependence on consultants excludes local input:

Dependence on consultants without frequent and meaningful incorporation of local feedback risks excluding local stakeholder input into GSA operations. Furthermore, insufficient knowledge of local conditions, including soils, crops, and community dynamics, can result in unrealistic plans and breed distrust between the groundwater users and the GSA.

Bespoke tools drive up costs: Bespoke tools (e.g., groundwater accounting platforms developed for individual GSAs) drive costs that flow directly to higher fees for groundwater users, while also creating a single-point of failure where a sudden vendor departure can stall critical programs.

Weak local partnership limit reach: Lack of partnerships with local organizations (e.g., RCDs and local farm-facing non-profits) limit a GSA's reach and threatens successful GSP implementation.

Recommendations

Build Local Capacity

14

Incentivize local hiring and training (DWR): Use the proposed DWR fund for "Building Small Farm Resilience under SGMA" to provide incentives for GSAs to hire and train local staff for outreach and engagement.

15

Encourage collaboration across subbasins (GSA): Explore opportunities for collaboration across subbasins on shared services (e.g., data systems, vendor contracts) to reduce prices, thereby reducing budgets and ultimately fees paid by farmers.

OPPORTUNITY 3: GSA GENERAL OPERATIONS



Evenson Family Farms, San Luis Obispo

Financing GSA Activities

Implementing SGMA has been costly, and long-term management will require sustained funding for decades. Although GSAs have cumulatively received over \$500 million from DWR, these funds are declining while groundwater management obligations continue to expand. As a result, GSAs must increasingly rely on local revenue sources, often shifting financial burdens onto growers and rural communities, with disproportionate impacts on small-scale farmers. GSAs have several potential revenue-generating mechanisms, including Proposition 218 property-related fees, Proposition 26 regulatory fees, special taxes, grants, loans, and bonds.³⁴ These funding mechanisms vary in complexity, procedural requirements, and appropriateness to local needs – for example, special taxes require two-thirds voter approval while benefit assessments require only a majority vote.

Proposition 218 fees are frequently recommended by consultants despite their complexity, requiring detailed engineering and financial analysis to demonstrate that each parcel's charge reflects its proportional benefit. A recent surge of Prop 218 elections includes several that have failed by wide margins. Proposition 26 fees offer an alternative, allowing GSAs to adopt regulatory charges without voter approval as long as revenue does not exceed the cost of providing the service, though these funds cannot be used for infrastructure.³⁴

Some GSAs have also explored tiered pumping charges to encourage conservation and align costs with groundwater use. However, this approach is subject to legal uncertainty. In *Patz v. City of San Diego* (2025) a trial court decision raised concerns that tiered water rates could violate Proposition 218 if they were not clearly tied to the cost of service.³⁵ This ruling was later overturned in December 2025, when the California Court of Appeal affirmed that budget-based tiered rates were consistent with Prop 218, as long as relative costs were properly allocated among users.³⁵ GSAs would benefit from clarification on their ability to tier fees. The February 2026 introduction of AB 2180 would allow local governments to charge tiered rates to parcel or customer classes based on common characteristics indicative of likely water use. If this bill passes, it could enhance the ability of GSAs to create tiered fee structures.

Technical assistance from an independent party, combined with local feedback and strong outreach, is essential as GSAs navigate complex funding processes. As noted by the UC Berkeley Center for Law, Energy, and Environment, “an otherwise carefully designed [Groundwater Sustainability] Plan could be infeasible without a clear financing pathway.”³⁶ Particularly in the current moment, faced with a difficult state budget and shrinking federal resources, GSAs are left to “navigate tricky, time-consuming, and resource-intensive public processes.”³⁶ Meeting SGMA requirements in this environment will depend on thoughtful, proactive planning and sustained community engagement.

Risks

Financing GSA Activities

Poor planning drives up costs: GSA boards that do not fully understand their financing options or take ownership of the process may overlook simpler mechanisms or face costly failures on first attempts at passage.

Failed financing due to limited engagement: GSA financing efforts fail due to inadequate local outreach, leadership, and ownership of the process, potentially leading to litigation, confusion, and breach of trust between the GSA and the community.

Legal complexity discourages equitable fee structures: The legal uncertainty and detailed analysis required for tiered fees can deter GSAs from developing progressive rate structures that protect small-scale farmers and reward conservation.

Recommendations

Financing GSA Activities

16

Update financing guidance (DWR): Revise the March 2024 Funding SGMA Implementation resource guide to address GSAs' ability to tier fees and provide additional guidance on funding strategies.³⁷

17

Integrate outreach into all financing efforts (GSA): Outreach about budgeting and funding should be incorporated into ongoing GSA engagement efforts and initiated before any vote to levy new fees or assessments. Budget development should be transparent and in the case of tiered rates, the methodology for parcel-level analysis should be thoroughly explained, with ample opportunity for questions and appeals.

18

Diversify and balance funding options (GSA): Ensure funding mechanisms do not disproportionately burden low-volume pumpers. While larger farms can leverage economies of scale to manage fee costs, small-scale and low-income farms are less able to absorb additional fees and warrant intentional protections in how funding structures are designed.



Farmer workshop at Laura's Apples, Sonoma County

OPPORTUNITY 3: GSA MANAGEMENT ACTIONS

Groundwater Markets

Groundwater markets allow water rights holders to buy, sell, or lease groundwater extraction allocations within a basin. Under SGMA, GSAs can assign pumping allocations and, in some cases, permit transfers between users. The intent is to give farmers flexibility, directing water to its “highest value use,” while keeping overall pumping within sustainable limits. In practice, oversight of groundwater markets has proven challenging, with instances of markets increasing undesirable results in sensitive areas and concentrating

control of market trading (Figure 10). An October 2025 survey found that while many GSPs include water markets as a strategy, almost none have been implemented successfully so far.³⁸ The McMullin Area GSA market has stalled at the allocation creation stage. The Madera County GSA market stalled after a 2021 trial. The Fox Canyon Groundwater Management Authority market was halted in 2021 after the discovery of increased pumping in sensitive areas (see case study below). There are no set prerequisites for what guardrails a groundwater market must have, creating an oversight challenge.

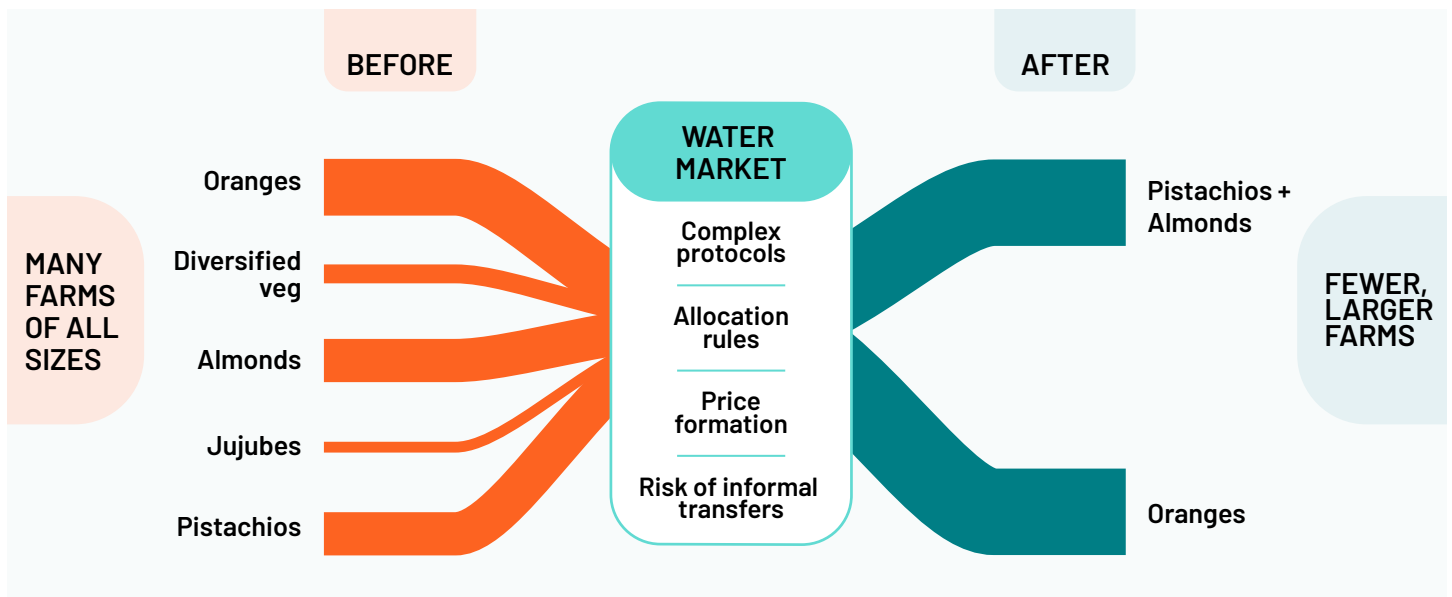


Figure 10. Conceptual diagram illustrating how water market design can influence water access and agricultural outcomes. The diagram depicts a shift from a diverse landscape of farms and crops (left) toward fewer, larger farms specializing in high-value, water-intensive crops such as almonds and pistachios (right). Line thickness represents relative groundwater pumping intensity.

While markets may create opportunities for efficiency, they also present significant risks, especially for small and medium-sized farms. Smaller producers may face barriers to participation, lack of representation in decision-making, or potential loss of water for those who lease land. Complex trading rules and difficulty in managing accounting of trades further complicate transparency and can lead to unintended consequences.³⁹ While transfers may sound straightforward in theory, in practice, managing the accounting of where traded water is going, who is doing the trading, how much one has to trade, and the resulting impacts of these trades is a huge administrative challenge. Any groundwater market requires the prerequisite of comprehensive accounting of allocations so that it is possible to track how those allocations are later traded. It can be expensive and difficult to implement accounting platforms and challenging to mandate their use.

Of particular concern is the capacity of large-scale operations farming across multiple, noncontiguous parcels to aggregate their allocations. This means that a single entity could pump in various places across a subbasin, and report all pumping together instead of specifically where groundwater extraction occurred. By allowing a single user to combine and obfuscate their pumping in this way, operations can essentially bypass the groundwater market and any rules structured within this market to mitigate negative consequences, such as increased pumping in stressed areas. Preventing negative impacts requires both structural protections — such as inclusive governance, annual evaluations of the market, and transparent decision-making — alongside practical investments in accurate accounting systems, reliable data, and long-term funding for enforcement.

■ CASE STUDY

Fox Canyon Groundwater Market, Ventura County

The Fox Canyon Groundwater Market was the first developed under SGMA and widely viewed as a pilot project for groundwater markets in the state. Backed by a \$1.8 million grant secured by The Nature Conservancy, the market launched in 2017 but halted in late 2021 after significant problems emerged.⁴⁰ Landowners aggregated allocations across wells, including noncontiguous properties.⁴¹ The market power exerted by certain landowners, combined with the complexity of trading across multiple wells, led to accounting challenges for the GSA, confusion about who was selling what, and ultimately an inability to maintain

transparent and enforceable trading rules. **The basin saw an 8.5% increase in pumping in the most depleted area of the basin.**⁴¹ Even with robust rules in place, **unregulated transfers of allocation that occurred outside of agency oversight** exacerbated overdraft in areas that most needed protection.

The Fox Canyon example demonstrates that even with significant financial and institutional support, groundwater markets face persistent challenges around accurate accounting, preventing market power abuse, ensuring transparency, and avoiding unintended increases in pumping. The Oxnard and Pleasant Valley Subbasins, under the Fox Canyon Groundwater Management Authority, are now in an adjudication process, triggered by plaintiff concerns about groundwater allocations.

Risks

Groundwater Markets

Resource and oversight limitations: Markets require extensive administrative resources for management, monitoring, enforcement, and stakeholder engagement. GSAs are already tasked with a wide range of SGMA implementation responsibilities and may lack sufficient staff, funding, and technical capacity to manage a market effectively. Limited oversight capacity increases the risk of market abuse, delayed response to adverse impacts, and inequitable outcomes for small farmers. Given the resource-intensive nature of this accounting and tracking, a market system may also be a more expensive management option.

Market power concerns: Small farmers may not wield sufficient market power, allowing more powerful entities to dominate the trading program and control how allocations are used.

Impacts on sensitive areas: If large landowners can aggregate allocations across multiple wells, including noncontiguous properties (as seen in Fox Canyon Groundwater Market), pumping may shift into sensitive areas causing further depletion, subsidence or damage to groundwater dependent ecosystems.

Lack of representation in market design: Small and mid-sized farmers are often underrepresented in committees designing groundwater markets, leading to rules that do not reflect their needs or realities. Without strong representation, trading programs risk favoring large landowners and exacerbating inequities.

Barriers to entry: Language access, digital literacy, and limited time or capacity can prevent small farmers — especially immigrant or underserved farmers — from participating effectively in online markets. Lack of technical assistance may leave smaller operations unable to understand trading rules, prices, and compliance requirements. Small farmers may have limited capacity to purchase allocations, putting them at a disadvantage relative to larger operators. The market may prioritize large volume trades, making it difficult for small farmers to secure sufficient water, contravening the intent to provide flexibility.

Impacts to farmers who lease land: Landowners may find it more profitable to sell or trade water allocations than to lease farmland, threatening tenant farmers' access to land and water. Lease agreements often lack protections for water use, creating uncertainty and risk for those reliant on short-term leases.



Covering Ground Farm, Butte County

Recommendations

Groundwater Markets

19

Pursue alternatives first (GSA): Prioritize other demand management strategies before groundwater markets. If pursued, alignment with recharge efforts, well registration programs, and regional land use planning is key.

20

Apply a “Do No Harm” principle (GSA): Design markets that do not worsen inequities or push small-scale farmers out of business. Markets should recognize California’s Human Right to Water and prioritize safe and sufficient drinking water. Ensure that large-scale pumpers are not able to combine allocations across noncontiguous parcels. Establish non-tradable allocations for small-scale farmers. Cap trade volumes per entity and require blind trades through third-party administrators, as proposed by the California Water Commission.³⁹

21

Mandate engagement with small-scale farmers, small water systems, and drinking water users in the design process (GSA): Require meaningful inclusion of small farms, small water systems, and drinking water users in market design, with targeted capacity building and hands-on technical assistance to address barriers related to broadband access and digital literacy.

22

Prohibit credit transference into sensitive areas (GSA): Bar trades that move pumping into areas experiencing subsidence, lowered water tables, proximity to groundwater-dependent ecosystems, small drinking water systems, or shallower wells vulnerable to interference.

23

Require state oversight of all groundwater markets (DWR): Establish state regulations to protect vulnerable communities and small-scale farmers. Implement monitoring triggers to halt trading if harm occurs, ensure tenant farmers are appropriately protected, and place limits on trading to prevent market power concentration.



Silver River Vineyards, San Luis Obispo County

OPPORTUNITY 3: GSA MANAGEMENT ACTIONS

On-Farm Recharge

Groundwater recharge is a process of replenishing aquifers through infiltration of water into the subsurface. This can occur in various ways:

- Natural percolation into the aquifer from farm fields or unlined canals and streams.
- On-farm recharge occurs by flooding farm fields with surface water, usually during wet periods. Used in orchards during dormancy or during fallow periods in annual crops.
- In-lieu recharge or conjunctive use refers to replacing groundwater use with surface water.
- Dedicated recharge basins are designed to capture excess surface water so that it can soak into the aquifer.
- Managed aquifer recharge encompasses many approaches as well as engineered methods to increase water infiltration beyond natural processes. Flood managed aquifer recharge (Flood-MAR) is a statewide network working to integrate flood and groundwater management.

Interest in groundwater recharge has grown substantially under SGMA as it is often considered the most direct strategy

to improve water table levels and reduce subsidence. Executive Order N-16-25 reduced permitting burdens in some cases and despite legal, financial, and hydrologic feasibility concerns, recharge remains central to many GSA efforts. A quarter of all Project and Management Actions (PMAs) listed in DWR's SGMA portal as of April 2026 are categorized as direct aquifer recharge across 73 subbasins.⁴² Among the subset of those PMAs that list both costs and benefit estimates, the combined projected costs exceed \$6.4 billion, with an anticipated water benefit of approximately 1.2 million acre-feet annually. **Given this scale of investment, it is critical that small-scale farmers have equitable access to participate in and benefit from recharge programs.**

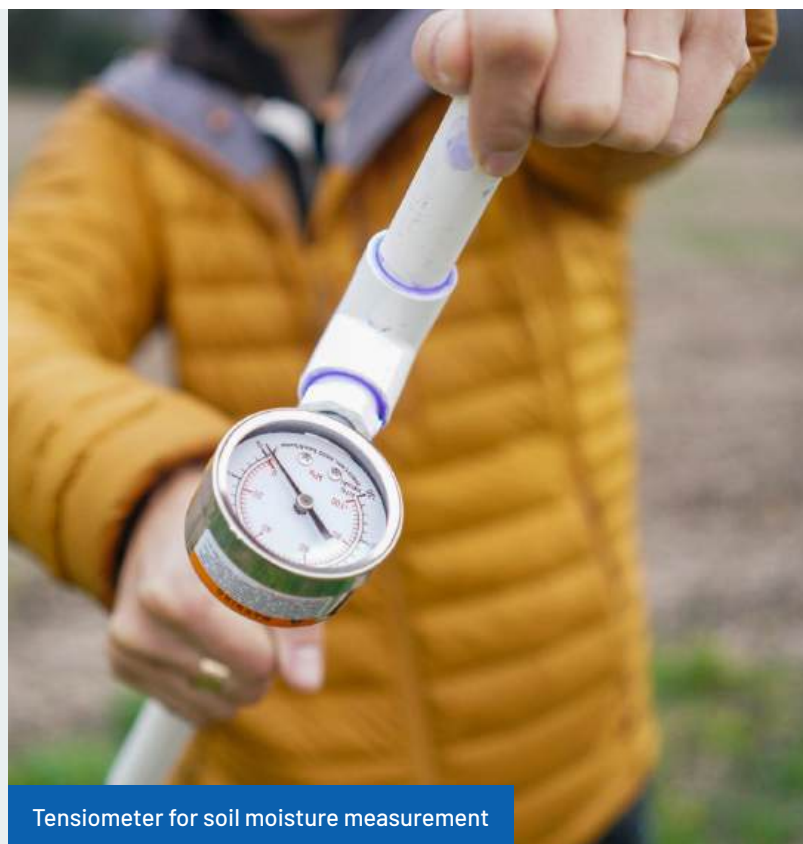
A 2018 Public Policy Institute of California report found that "active recharge on farmland may be one of the most promising ways to capture water cost-effectively in wetter years, but [its use] is low relative to its potential."⁴³

Significantly ramping up this practice will require addressing a suite of technical and infrastructure issues. One of the key challenges for expanding on-farm and in-lieu recharge is the need to improve existing conveyance facilities. Many small farms have old surface water infrastructure that has not been maintained or modernized to deliver water when and where needed. Others who are located near canals may lack connections.

INCENTIVE-DRIVEN ON-FARM RECHARGE

Recharge Net Metering Program (ReNeM), Pajaro Valley Water Management Agency

Launched in 2016, ReNeM incentivizes private landowners to build recharge systems on their land by offering rebates based on the volume of water infiltrated, helping to offset operation and maintenance costs. Participants benefit directly through the rebate program and indirectly through improved groundwater supply and quality. Because favorable sites for recharging water are often on private land and on-farm recharge spread throughout a basin costs less per acre-foot than centralized recharge locations, it is a cost-effective strategy worth replicating – and one that makes investing in small farm participation a smart use of limited resources.⁴⁴



Tensiometer for soil moisture measurement

■ LOW-COST RECHARGE OPPORTUNITY

Storm Water Retention Ponds

Small-scale farmers and ranchers, especially multi-generational operations invested in maintenance and tenure of land and infrastructure, are well positioned to adopt storm water retention ponds as a low-cost recharge strategy. Non-irrigated rangelands are particularly well suited: their rolling topography naturally captures and conveys runoff, and the land is often not viable for intensive commercial agriculture. Beyond recharge, retention ponds improve water quality by allowing pollutants to settle out and can create valuable wildlife habitat. For ranchers already accustomed to using ponds for livestock watering, incentives to build or expand them offer a natural entry point — delivering cascading environmental benefits with relatively modest investment.



Risks

On-Farm Recharge

Infrastructure and permitting barriers limit participation:

Research shows that large landowners are significantly more likely to own parcels with surface water access.⁴⁵ Having no access to surface water, outdated infrastructure, or high permitting costs can impair the opportunity to realize the groundwater benefits of recharge and conjunctive use projects on small farms.

Pumping credits and incentives may undermine overdraft reduction:

In 2023, half the agencies where growers were practicing on-farm recharge were incentivized with pumping credits that allowed the grower to use the water at a later time.⁴³ When recharged water is credited for later pumping, there will be limited reduction of overdraft and the aquifer functions as private storage, accessible only to entities with the resources to implement complex recharge projects. Financial incentives that reduce the cost of water, and/or pay for the cost of infrastructure and equipment, managed by public entities, are more equitable and allow the recharged water to be allocated for collective benefit.⁴⁶

Water quality concerns discourage conjunctive use:

Uncertainty about surface water quality can discourage small-scale farmers from using it when available. Interviews with organic mixed vegetable producers in the San Joaquin Valley and the recent UC ANR survey both found that many rely exclusively on their well water, even if surface water was available, due to concerns about surface water contaminants impacting food safety or organic certification, and the risk of losing plantings if contaminated.

Overemphasis on recharge may crowd out other strategies:

A significant gap exists between proposed recharge volumes and what is practically achievable – limited infrastructure, unsuitable soils, and the short windows when excess water is available all constrain recharge capacity. Agencies may also be overestimating long-term water availability across dry and wet cycles.



Recommendations

On-Farm Recharge

24

Prioritize recharge near small farms (GSA): Locate groundwater recharge sites near small farms with shallow irrigation wells or groundwater-dependent communities, when feasible.

25

Lower barriers to recharge participation (GSA): Lower participation barriers by supporting small farms with incentives and technical assistance. A useful resource is the On-Farm Recharge Methods Manual published by Sustainable Conservation.⁴⁷

26

Invest in surface water infrastructure (GSA/DWR): Use the proposed DWR fund for “Building Small Farm Resilience under SGMA” to finance surface water connections and on-farm irrigation equipment improvements in order to facilitate cost effective on-farm recharge and conjunctive use on small farms. For many small-scale farmers close to canals, enabling connections to existing surface water sources would support SGMA goals as well as the economic viability of the operations.

27

Avoid 1:1 pumping credits for single-user recharge (GSA): Do not allow water credits for recharge by a single water user. Instead, offer financial incentives that allow the recharged water to be allocated for collective benefit.

28

Provide grants and technical assistance for retention ponds (GSA): Support small-scale farmers and ranchers with the earthworks, permitting, and planning necessary to develop on-farm retention ponds.

29

Offer guidance on safe surface water integration (GSA): When surface water quality is a concern, educate farmers about appropriate timing and conditions for using surface water in ways that protect food safety certifications and organic status.

30

Prioritize demand management alongside recharge (GSA): Ensure demand management programs include aggressive water use efficiency improvements, including drip and microirrigation, soil moisture monitoring, cover cropping and other emerging technologies.⁴⁸

OPPORTUNITY 3: GSA MANAGEMENT ACTIONS

Alternatives to Bare Ground Fallowing

Achieving groundwater sustainability under SGMA will likely require some land fallowing and shifts in cropping patterns. Estimates suggest between 500,000 and 1 million acres of irrigated agricultural land may be fallowed statewide, and many GSAs have already incorporated land fallowing into their demand management programs.⁴⁹ As of April 2026, DWR's SGMA portal lists 56 PMA entries categorized as temporary or permanent fallowing across 29 subbasins, representing over \$230 million in estimated costs to generate approximately 130,000 acre-feet in annual water benefits. However, fallowed land without an alternative purpose often becomes bare soil and a significant dust source, leading to public health consequences such as Valley Fever and respiratory disease, impacting snow formation, and causing broader economic losses.⁵⁰ Since bare soil is the cause of the majority of annual evaporation from irrigated agricultural land, it is not a practice that is consistent with SGMA goals.⁵¹ The income and job losses from land fallowing fall unevenly across farm sizes. For small or leased operations, fallowing even a few acres can threaten their entire livelihood, while larger operations can spread the burden across a broader land area.

Fortunately, practical alternatives to bare ground fallowing can reduce groundwater demand while delivering environmental co-benefits. Practices such as cover cropping, the use of stubble or soil mulches, dryland farming,

non-irrigated rangeland, land repurposing, transitioning to less water intensive crops, and temporary land fallowing offer viable pathways. Many farmers, especially small-scale, multi-generational family operations, are already engaged in stewardship-oriented practices, reflecting their reliance on the long-term productivity of the same acreage. **A recent statewide survey found that 71% of respondents use at least one water conservation or regenerative agricultural practice including drip irrigation, growing drought tolerant crops, cover cropping, agroforestry, or permaculture (n=63).** These results underscore the important role of small-scale farmers as environmental stewards in California's agricultural landscape.

Among these strategies, cover cropping is particularly promising. Cover crops can be grown in the winter months during dormancy of permanent crops or between annual production cycles, or on fallowed land. This practice increases infiltration and reduces runoff by 40% or more, often while improving soil water holding capacity, reducing dust and particulate matter in air, and moderating soil temperatures.^{52,53} Incentivizing adoption of cover crops and other healthy soils practices aligns with California's climate goals. The California Air Resources Board 2022 Scoping Plan Update includes targets to scale these practices to 190,000 acres annually by 2030.⁵⁴ The same plan targets increases in certified organic acreage (up to 20% of total by 2045). On organic farms, where significant investments in soil health are made, avoiding prolonged bare ground fallowing helps preserve long-term productivity and prior investments.

“

For a small two-acre farmer who is leasing the land - how will they practice fallowing? The GSA said they could fallow one year and not the next. But for that grower, those two acres are their entire livelihood. For a 500-acre almond field, you can just fallow a few acres.”

— Small Farm Outreach Specialist, Sacramento Valley



■ CASE STUDY

Incentivizing Cover Crops Through Accounting, East Turlock Subbasin GSA

The East Turlock Subbasin GSA (ETSGSA) developed an innovative groundwater-accounting approach that recognizes the water benefits of growing cover crops. To calculate the groundwater consumption of crops, the GSA uses remote sensing tools to estimate total crop water use and then subtract a percentage of rainfall (“effective precipitation”) and surface water deliveries to arrive at estimated consumptive groundwater use. For grower-

reported cover cropped land, ETSGSA increases the effective precipitation to account for the increased infiltration and reduced runoff that cover crops provide. The higher the effective precipitation, the more rainfall is assumed to be available for plant use. This means less of the crop’s total water use is assumed to come from groundwater and the grower is credited for the water value that the cover crops provide.⁵⁵

Risks

Alternatives to Bare Ground Fallowing

Bare fallowing creates environmental and public health

harms: Increased bare ground fallowing results in increased dust, dust-associated diseases, poor air quality, water runoff, increased evaporation, soil erosion, and economic disruptions.

Regenerative practices remain underutilized: Cover cropping, transition to less water intensive crops and other practices are underutilized due to lack of funding to implement these changes for farmers not already using them. However, interest in these resources is high: Demand for the CDFA Climate Smart Ag programs consistently outpaces available incentive funding. At a March 17, 2026 Senate Agriculture Committee and Senate Environmental Quality Committee joint informational hearing, CDFA reported that the programs are oversubscribed by 161% to 876%.⁵⁶

Loss of small farms and organic acreage: Small farms and certified organic land are lost due to abandonment or fallowing.

Recommendations

Alternatives to Bare Ground Fallowing

31

Incentivize alternatives to bare ground fallowing (GSA):

Discourage bare ground fallowing with education and incentives for dry farming, transition to less water intensive crops, cover cropping, and rotational fallowing (with cover cropping). Protect small farms and certified organic land in line with state conservation goals.

32

Distribute guidance on water-efficient cover cropping

(DWR): Share guidance on water-efficient cover cropping for growers and GSAs. For example, the Western Cover Crop Council’s Cover Crop Decision Tool recommends cover crop types based on objectives, climate, and soil type.⁵⁷

33

Facilitate practice adoption (DWR/GSA): More opportunities are needed to positively value and reward existing practices or production changes toward practices that conserve water. This can be coupled with connecting farmers with resources for improving soil health and water use efficiency including NRCS Conservation Stewardship Program, CDFA Climate Smart Agriculture Program, and local mobile irrigation labs available through many RCDs. In some instances, GSAs may be well positioned to apply for block grants from these programs. Additional research and work is required to identify ways that GSAs can value and reward the specific practices of farms toward water conservation.

OPPORTUNITY 3: GSA GROUNDWATER USE REGULATION

Groundwater Use Monitoring

The GSP Emergency Regulations mandate the monitoring and estimation of groundwater use in high and medium-priority subbasins to prevent undesirable results. Farm-scale regulatory tools used in SGMA implementation, such as groundwater allocations, depend on accurate, spatially-explicit data to determine how much groundwater each subbasin, and each farm within that subbasin, is “using”. Many GSAs are relying on satellite-based evapotranspiration (ET) estimates, with a few relying on flow meters, to generate groundwater use data that is adjusted to calculate consumptive groundwater use.

The Pajaro Valley Water Management Agency (PV Water) for instance is using flow meters, and the majority of agricultural groundwater use has been measured using flow meters since 1993. Well owners are billed according to their groundwater production and quarterly measurements are taken by PV Water staff, either physically or by remote telemetry. Staff follow a meter maintenance program for their approximately 800 meters that includes routine accuracy tests to check that meters are working properly. According to Brian Lockwood, General Manager of PV Water, “We trust the meters to accurately record the volume of water being extracted from the basin.”⁵⁸

Many more recently formed GSAs are using satellite-based ET estimates, which are calculated by models that use remote sensing to estimate the amount of water “lost” from land and vegetation through evaporation and transpiration.⁵⁹ ET models vary in their assumptions and methodology, but they generally use satellites, meteorological data, reference ET, and land cover information. ET model performance can depend on identifying the correct crop being grown in each field and generally assumes uniform, monoculture fields that persist over a year. They are calibrated using data from heavily monitored fields of major commodities (e.g., almonds, processing tomatoes) and assume consistent canopy development, management practices, and physiological responses. The final output of ET models is generally calculated at quarter-acre resolution and can be aggregated at larger scales for reporting to GSAs.

The satellite-based ET monitoring services commonly used by GSAs include OpenET, LandIQ, and Hydrosat, each of which varies substantially in the transparency of their model development, calibration, and performance. In the subbasins served by UCANR and CAFF as part of the URCTA project, satellite-based ET monitoring services are used by at least 36 GSAs, with a majority using LandIQ.



SB Farms, Fresno County

■ SNAPSHOT OF REMOTE SENSING TOOLS FOR ET MONITORING

Madera Verification Project

One of the few efforts to compare ET monitoring services to one another, and to compare them to applied water, drawing from dozens of growers farming thousands of acres over several years.⁶⁰ The crop composition of the monitored land has been generally representative of the region and therefore dominated by major commodities of almonds, pistachios, and grapes. The average field size of monitored land is not reported and there is no mention of the inclusion of small, diversified cropping systems in publicly-available reports or presentations. **The project has repeatedly found substantial variability when comparing remotely-sensed ET from Hydrosat, Land IQ, and OpenET to flow meter measurements of applied groundwater across cropping system, irrigation unit size, and years.**

OpenET

A free, publicly-funded platform launched in 2021 by a consortium including NASA, USDA, and Environmental Defense Fund. OpenET uses an ensemble of satellite-based models and prioritizes transparency and public access. An accuracy assessment of cropland sites in Mediterranean zones reported a mean absolute error for the OpenET ensemble value of 13.3 mm per month (14.2% of mean observed ET).⁶¹ Forthcoming research which reports on the water use of diversified small farms in Fresno County finds **systematically higher** water use rates estimated by OpenET compared to water use estimated by flow meters, even for those small (in size) farms growing common commodities such as almonds.⁶⁰

LandIQ

A private California-based firm operating since 2007, providing high-resolution crop mapping and field-level ET estimates via a subscription service. Its proprietary methods rely on local field calibration of actual ET and are not publicly available. Their modeling priorities are reflected in their calibration data sets, such as was used for East Kaweah GSA in 2023, which mostly reflects perennial crops that are less common on diversified small farms and **lacks detailed data from crops commonly grown by small farms.**⁶²

Hydrosat

A commercial satellite-based ET monitoring service developed in 2019, it uses proprietary satellite imagery and crop modeling to deliver daily ET estimates at 10m² resolution. It operates globally via a subscription service. Hydrosat is being used to **measure consumptive water use and enforce allocations.** They were recently awarded a three-year contract renewal with Madera County to continue delivering a water use measurement on 220,000 acres.⁶³



Covering Ground Farm, Butte County

Risks

Groundwater Use Monitoring

Accuracy limitations compound across parcels: Even under ideal conditions and for well-studied crop systems, satellite-based ET models have limitations when estimating the amount of water “lost” from an individual field. Small discrepancies can compound across parcels and seasons, leading to inaccurate groundwater accounting. These errors may be amplified in more complex settings which ET models were not designed for or calibrated to, such as diversified farms with variable crops and canopy structures.

Sources of error on small farms: There are many possible sources of error when using remote sensing to estimate ET on small farms, including: a spatial scale that may obscure mixed diversified cropping patterns, exclusion in crop calibration data sets, heterogeneous canopies shaped by short-season crop rotations that challenge model assumptions, and a simplification of land use on farms where multiple crops and fallow periods exist in both time and space. These mismatches between model assumptions and real-world diversity can lead to miscalculations of consumptive groundwater use for small-scale operations.

Financial inequity: Without correction, inflated groundwater accounting using satellite-based ET could result in overcharges of groundwater use fees and place an unfair financial burden on small-scale farmers. For example, a 20 acre small-scale farmer who is over-charged at a rate of 0.1 AF/acre in a GSA with a \$300/AF groundwater use fee would overpay \$600 a year (above and beyond their base fee).



Lockwood Acres, Solano County

Recommendations

Groundwater Use Monitoring

34

Allow meter-based appeals (GSA): GSAs using ET models to monitor groundwater use should allow farmers to appeal groundwater use estimates with their own flow meter data through a streamlined appeal process. While not all growers are required to install meters, GSAs should recognize the value of flow meters as the most accurate way to know how much water has been withdrawn from an aquifer when they are calibrated and well maintained.

35

Provide free or subsidized meters (DWR): Using the proposed DWR fund for “Building Small Farm Resilience under SGMA,” provide free or subsidized flow meters to small-scale farmers and assist with irrigation system retrofits as needed to ensure accurate measurement.

36

Clarify meter reporting protocols (GSA): GSAs with mandatory metering or flow meter-based appeal processes should provide specific guidelines for reporting flow meter readings (e.g., frequency, recording format) and offer technical assistance to help small-scale farmers meet those expectations.

37

Increase modeling transparency (GSA): Improve transparency in modeling. Publish key modeling assumptions, record meetings of groundwater hydrologists explaining the model and parameters, and provide local calibration summaries for ET-based monitoring.

38

Improve data and monitoring integrity (DWR): Use the proposed DWR fund for “Building Small Farm Resilience under SGMA” to support independent studies comparing ET and flow meter-based measurements on small-scale farms. This will serve to refine monitoring accuracy and inform policy decisions. Also, provide funding for research and development of ET models that capture small farm cropping systems.

OPPORTUNITY 3: GSA GROUNDWATER USE REGULATION

Monitoring Networks

GSAs are required to establish monitoring networks to collect data on groundwater levels, storage, land subsidence, and water quality — the foundation for evaluating whether a basin is achieving sustainability. While DWR sets minimum requirements, it allows flexibility in network design, leaving site density and distribution to local professional judgement.⁶⁴ In practice, networks often rely heavily on preexisting wells rather than strategically sited new monitoring points. Because these networks depend on existing infrastructure, coverage gaps are common, particularly in areas with no access to state surface water projects, locations where some small-scale farmers operate. GSPs are not required to explain how monitoring locations are selected or what local conditions they represent, such as proximity to shallow irrigation wells or small farm clusters. Consequently, critical indicators of undesirable results on small farms may go undetected in many basins. Research

shows that shallow irrigation wells on small farms are more likely to be protected when these stakeholders are integrated in governance processes.⁶⁵

GSAs that rely solely on their formal monitoring networks miss an opportunity to incorporate community-reported data on dry wells. DWR's online Dry Well Reporting System provides a platform for individuals to report well failures, helping agencies track drought impacts on household and certain agricultural supplies.⁶⁶ However, there is no formal mechanism linking this database to GSA planning or monitoring activities. The system is primarily used for household wells since farmers may be reluctant to report their dry wells due to concerns about data privacy or regulatory repercussions. County agencies note that they are neither mandated or funded to collect information on agricultural well failures, further perpetuating data gaps.



Nickler Acres, Tehama County

■ CASE STUDY

Hungry Hollow, Yolo County

Hungry Hollow illustrates how monitoring gaps can carry real consequences for small-scale farmers. The local GSA flagged this area as high-risk due to shallow wells, limited monitoring data, and declining groundwater levels – yet the current monitoring network remains insufficient to understand localized water table behavior or the specific conditions affecting the farmers in the region. While Yolo Subbasin Groundwater Agency (YSGA) plans to increase monitoring and data analysis in Hungry Hollow, research, funding, and regulatory timelines may not converge in time to protect the region's shallow wells. Currently, YSGA is collaborating with CAFF to include small-scale farmers in its voluntary

groundwater monitoring program by installing sensors on participating farms in data gap areas. The sensors provide continuous or semi-annual data, and allow both the GSA and the farmers to monitor the wells.

In response to concerns from small-scale farmers, a one-year moratorium on permits for new agricultural wells was adopted by the Board of Supervisors. Local farmers advocated for the pause as a temporary safeguard while additional data was gathered, and have since been working with the County to update well permitting regulations.⁶⁷

Risks

Monitoring Networks

Many monitoring networks overlook vulnerable areas:

Monitoring locations are typically selected for ease of access or hydrologic representativeness, not social vulnerability (e.g., small parcels and shallow wells common on small farms), resulting in inadequate early-warning systems for drying wells in areas with small farms.

Data gaps limit basin understanding and management:

These monitoring network design limitations create data gaps, constraining the understanding of basin conditions or the ability to evaluate whether the basin is being sustainably managed.

Dry agricultural wells remain undocumented and

unaddressed: The absence of systematic data collection on dry agricultural wells and integration into evaluation of sustainability indicators means that small farm problem areas may go unrecognized until more severe undesirable results, such as widespread well failure or subsidence, are already occurring.

Recommendations

Monitoring Networks

39

Strengthen monitoring network equity and coverage (GSA):

Ensure that monitoring network coverage includes water quality monitoring, covers a diversity of groundwater users and well types, and encourages placement of new monitoring wells in socially-vulnerable and agriculturally-sensitive areas.

40

Expand dry well data collection and reporting (DWR):

Redesign the DWR Dry Well Reporting System to include data on dry agricultural wells and conduct outreach to encourage dry well reporting that includes assurances that there will be no negative repercussions for reporting. Create a system for gathering reports of dry agricultural wells from county agencies.



Soul Food Farm, Solano County

OPPORTUNITY 3: GSA GROUNDWATER USE REGULATION

Allocation Models

A groundwater allocation is a limit on the volume of groundwater that may be withdrawn from a subbasin, with a policy goal of discouraging extractions above sustainable yield.⁶⁸ A common approach distributes sustainable yield proportionally across irrigated agricultural acreage. Some GSAs include “transition water” or phased reductions that ease economic impacts by gradually stepping allocations down over time. Sustainable yield estimates are often based on limited historical pumping data and groundwater models that require ongoing refinement. Because long-term pumping records are often incomplete, model assumptions play an outsized role in estimating available groundwater. While these models rely on current science, they still require refinement and calibration to reflect local hydrogeologic realities. The uncertainties inherent in these models are rarely explicitly reflected in allocation schemes. As a result, farmers may be assigned pumping limits that could change significantly as models are updated, creating uncertainty for long-term farm planning.

Allocations are commonly tracked as consumptive groundwater use, estimated through simplified parcel-level water budgets, which vary depending on water use estimation tools (e.g., ET or applied water). Calculating consumptive use with satellite-based ET estimations requires knowing volumes of surface water deliveries, other developed water sources, and precipitation, all at the parcel level. Calculating consumptive use with flow meter-based applied water estimations requires making assumptions about the fraction of applied water ‘lost’ through runoff and percolation. To introduce operational flexibility, some GSAs also allow credits, carryover, or pooling of allocations across

parcels. However, as Matthew Fienup, Executive Director at the Center for Economic Research and Forecasting at Cal Lutheran University notes, “tracking the different components of an individual’s allocation over successive water years can prove especially challenging, even with custom-built water accounting software.”⁶⁹ This underscores that even with sophisticated tools, the administrative and technical complexity of allocation tracking can strain both agency capacity and farmer understanding.

GSAs must make various assumptions when calculating consumptive groundwater use to enforce allocations. For example, one GSA may credit 100% of on-parcel precipitation, while another applies a 50% reduction to account for runoff, interception, or timing losses (e.g., effective precipitation that plants can access). Each GSA’s methodology for calculating, tracking, and administering allocations needs to be accurate enough to enforce compliance and assess the effectiveness of overall GSP implementation. DWR has not yet defined what level of accuracy is required. In the absence of clear guidance, GSAs are left to determine their own standards for precision and enforcement, resulting in inconsistent approaches.

According to DWR’s SGMA portal, only 53 entries in the PMA Module are categorized as “allocations,” representing 29 subbasins statewide. This indicates that while groundwater allocations are becoming an increasingly common management tool, they currently account for a small fraction (3%) of all projects and management actions listed on the portal. If this type of demand management tool becomes more dominant, it will be increasingly important to address its risks.



Mora Farms, Fresno County



CT Farm, Merced County

Risks

Allocation Models

Complexity excludes small farmers: Allocation logic is complicated and potentially inaccessible for small-scale farmers. Furthermore, flexibility tools (e.g., carryover, pooling, credits) add layers of accounting that increase complexity and may make water accounting more challenging for small operations, possibly increasing administrative risk and error.

Uncertainty creates false confidence: A false sense of accuracy exists around allocations when in fact there are many sources of uncertainty (e.g., modeled inputs, uniform assumptions, stacked accounting).

Uniform assumptions ignore farm diversity: Broad, uniform assumptions in consumptive use calculations disincentivize farm-level agricultural management practices that improve soil water retention (such as cover cropping), and consequently reduce groundwater pumping. For example, a single effective-precipitation factor for every parcel in a GSA can misrepresent actual conditions across soils, canopy structures, and management styles, particularly for small farms.

Tenant farmers face additional complications: When allocations are tied to landowners, calculating and tracking individual pumping for multiple tenants on the same parcel becomes administratively complex and opaque (see Recommendation 6).

Recommendations

Allocation Models

41

Recognize relative groundwater use (GSA): Design water allocation models that guarantee the minimum amount of groundwater needed for small farms to remain viable, recognizing their limited contribution to basin-wide pumping as low-volume pumpers. This could include adopting progressive allocation structures to ensure small-scale farmers continue to access sufficient water, as well as special consideration for the “small farm de minimis pumpers” category.

42

Simplify accounting and reporting (GSA): Establish a streamlined groundwater accounting pathway for small-scale farms, including simplified compliance requirements, transparent reconciliation between flow-meter and ET-based methods (e.g., agreed conversion factors, return-flow credits), and simple avenues for farmers to report farm-specific evidence (e.g., soil type, crop, irrigation timing) to refine consumptive-use estimates.

43

Improve transparency and support (GSA): Provide and promote multi-lingual outreach and technical assistance focused on allocations, water-use accounting, and data corrections.

44

Issue statewide best practice guidance on allocation models (DWR): Provide standardized guidance to GSAs on developing groundwater allocation models.

OPPORTUNITY 3: GSA GROUNDWATER USE REGULATION

Fees

Under SGMA, GSAs are authorized to collect fees to fund their activities, including data collection, monitoring, planning, studies, enforcement, and project implementation. These fees provide essential revenue for GSA operations while sometimes discouraging over-extraction of groundwater. GSAs can assess several types of fees — most commonly administrative, extraction, and well registration fees — depending on local needs, priorities, and management approaches. These fees are charged per acre, per parcel, per acre-foot, or using other metrics; they vary widely across the state and can change annually. Fees per acre-foot of groundwater can be as high as \$500 with significant penalties for water used over the allocation. Some of the most expensive groundwater and some of the smallest allocation levels are in the critically overdrafted basins of the San Joaquin Valley. In northern California, in high priority basins where conditions are currently less critical, fees are lower. For example, a base fee of \$12.62 per parcel plus an additional \$4.22 per cropped acre in one northern subbasin.

Fee structures can be fairly complex, incorporating tiered levels that differ depending on various attributes deemed significant by local agencies: districted versus undistricted, cropped versus rangeland, or groundwater versus surface water use. The fees can be hard to manage, and are often

subject to challenge by farmers who believe their land or business has been misclassified. However, the kind of detailed analysis needed to succeed in a challenge is likely not available to farmers that have not been engaged in the fee-setting process and are not privy to the details of how the fees are calculated.

Because fee structures apply uniformly regardless of farm size, they are inherently regressive — placing a proportionally larger burden on smaller, less-resourced operations (Figure 11). This is particularly concerning given that many small farms pump low volumes of groundwater in a subbasin and contribute minimally to groundwater overdraft. Small-scale farmers are particularly vulnerable to the financial pressures created by fees if they depend on groundwater. **A recent statewide survey found that 94% of respondents use groundwater for irrigation (n=63), with a median well depth of 250 ft (n=41)**, consistent with findings from Fresno County a decade ago.⁷⁰ This reliance means they have fewer alternatives and even modest groundwater use fees can add up to significantly affect their operating costs. The SWRCB's April 2026 recognition of an exclusion for minimal-impact pumpers in two San Joaquin Valley probationary basins points toward a more equitable approach that could be adopted statewide.⁷¹



Over

90%

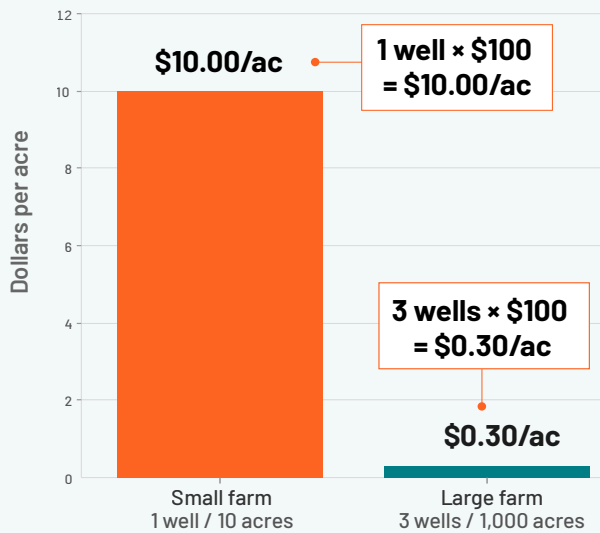
of small-scale
farmers irrigate
with groundwater

Bless'd Blossom Farm, Solano County

Equal Costs are not the same as Equal Burdens

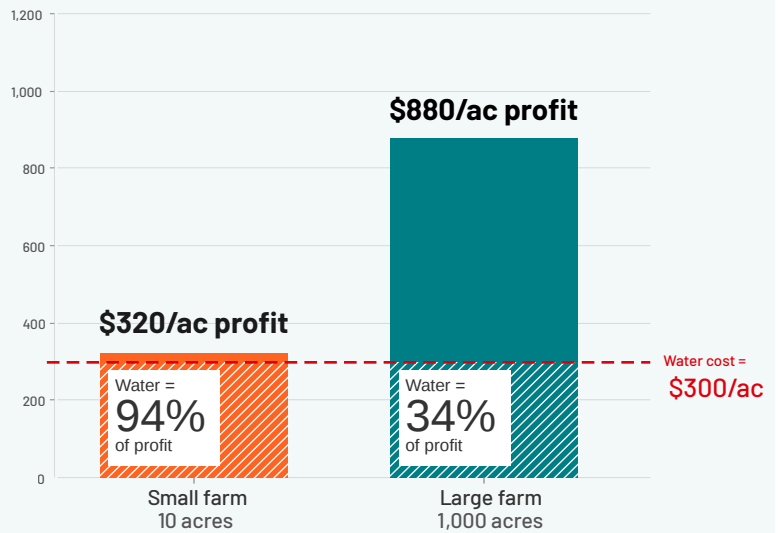
A. Flat per-well fees are regressive

≈33× more per acre



B. Equal water prices still hit small farms harder

~3× more profit loss



Panel B uses illustrative margin assumptions informed by USDA ERS reports on farm profitability and UC cost of production studies.

Figure 11. Two ways that scale creates unequal groundwater cost burdens for small farms.

Risks

Fees

Flat fee structures are regressive: Flat fees place a disproportionate financial burden on small farms. Even modest well registration fees can have disproportionate impacts on small farms which tend to have higher well densities than their larger neighboring operations. Fees based on uniform water use rates are regressive because the marginal fee (as a percentage of total revenue) is much higher for smaller operations (Figure 11).

Inaccurate volumetric billing: Volumetric groundwater extraction fees calculated based on ET may risk inaccurate billing (and overcharges) for small farms with mixed cropping systems. Without site-specific calibration or reconciliation, small farms may be overbilled relative to their consumptive groundwater use.

Cumulative financial strain: As multiple fees accumulate, the combined costs can erode small farms' already narrow profit margins, potentially forcing some out of production.

Recommendations

Fees

45

Support GSAs in establishing a "small farm de minimis pumpers" category (DWR/SWRCB): GSAs will need funding and technical assistance to support their work in identifying this category of groundwater users.

46

Implement fair, protective fees (GSA): Implement fee structures that protect small-scale farmers and exempt "small farm de minimis pumpers". Offer fee credits or reductions for small farms that demonstrate verified adoption of water-saving technologies or management practices that support basin sustainability. There is precedent for this approach, for example the SWRCB Resolutions adopted on April 7th, 2026 to exclude "minimal impact" pumpers from reporting and fee requirements.^{17,18}

OPPORTUNITY 3: GSA GROUNDWATER USE REGULATION

Adjudications

When there are legal disputes over the right to groundwater, a court can conduct an adjudication — a legal process to define and determine the rights of users to extract groundwater. While adjudications fall outside of DWR's direct authority and are separate from the GSPs created under SGMA, DWR does require that adjudicated basins meet SGMA's sustainability goals and GSAs may participate as parties to the adjudication. It would be incomplete to discuss small farm risks under SGMA without referencing adjudications, but a detailed discussion is not provided here given that adjudications are the responsibility of the courts, not DWR or GSAs.

There are several examples of conflicts between established GSPs and a subsequent adjudication process. Adjudications are filed in court by plaintiffs who have a stake in the outcome of how water is allocated. The plaintiffs may be large-scale pumpers who are concerned that GSP allocations will limit their capacity to extract groundwater. Adjudications take many years to resolve in court and every landowner with a well must participate or risk losing their water rights. Small-scale farmers, even when they group together and hire an attorney to represent them, face an extremely costly process. Groundwater adjudication cases, once filed, are assigned to a Superior Court outside of the county or counties that have jurisdiction over the basin, which can pose a challenge to farmers who might struggle to attend relevant court processes. Without the resources of large pumpers, small pumpers risk losing their water rights simply due to the difficulty of participating in a multi-year legal process. Without careful safeguards, these processes can threaten the viability of small farms.



Dulce Organic Farm, Santa Cruz County

Risks

Adjudications

Adjudications may be used to bypass existing GSPs:

Large-scale operations will use adjudications in an effort to declare a greater sustainable yield quantity for pumping than what the GSP has approved.

The process is inaccessible and costly for small farmers:

Generally, success in any legal process requires a skilled attorney. Finding attorneys who will take on the case of a small-scale farmer, or of multiple farmers, is difficult and costly. A small farmer in Cuyama cited a \$5,000 bill for a single month of work, posing an unsustainable amount for a years-long process. Small-scale farmers in adjudicated basins are in danger of giving up their water rights in an adjudication because they cannot pay the cost of continuing in court.

Reliance on historic water usage: Courts often reference historical use to determine allocations. This can be damaging to new and small-scale farmers who have prioritized water saving efforts in their operations.



Cali-Dad Farms, Monterey County

Recommendations

Adjudications

47

Support implementation of AB1466 (Legislature): Ensure successful enactment of AB 1466, signed by the Governor in 2025, which authorizes courts to treat claimants of minor water quantities separately in comprehensive adjudications and establishes a streamlined process to register and administer such claims.

48

Pass legislation to protect sustainable yield (Legislature):

Pass legislation to ensure that large pumpers cannot use adjudications to increase their pumping above sustainable yield levels. Courts should review and take into account the past years of work under SGMA, including the subbasin-specific sustainable yield levels, minimum thresholds, and measurable objectives.

49

Provide education for Court Judges (Judges): Provide education to Superior Court Judges tasked with ruling in an adjudication. This could include hydrology, history of pumping dynamics in a region, and detail on the existing GSP.

50

Ensure that watermasters are impartial (Judges): Once an adjudication is issued by a court, it is implemented under the supervision of a designated Watermaster. It is essential Judges choose a Watermaster who is free of conflict of interest and trusted by different classes of plaintiffs.

OPPORTUNITY 4

Support Equitable Transition Pathways



C&R Farm, Merced County

Converting large amounts of agricultural land to other uses — as needed to achieve groundwater sustainability — carries with it a high risk of increasing inequity in land ownership, water access, rural livelihoods, and food security.

This risk is especially acute in the San Joaquin Valley, where the scale of expected land transition is greatest. Rather than allowing unmanaged land abandonment or economic displacement, California can design transitions that preserve farming opportunities, sustain rural economies, and maintain the agricultural character of affected regions while increasing the sustainability of groundwater use. Even with thoughtful identification and targeted accommodations, some small-scale farmers will not be able to continue their businesses as they currently function under long-term groundwater constraints. For these farmers, equity requires structured and dignified alternatives, within a broader just transition framework for rural livelihoods.



La Buena Tierra, Monterey County

Priorities

The Public Policy Institute of California estimates that at least “500,000 acres of southern Central Valley cropland will need to be taken out of irrigated production to reduce groundwater demand”.⁷² Currently there is no established strategy around what this entails. Without intentional transition planning, California risks unmanaged land abandonment, further consolidation of agricultural land, and the disproportionate loss of small farms that sustain local food systems, preserve cultural heritage, and provide ecosystem services. This section identifies priorities for land transitions that engage small farms in groundwater management while preserving the social and economic benefits of diversified, small-scale agriculture. The goal is to **keep working lands and working people on the landscape** when possible, and support small-scale farmers who have no other option but to transition out of farming.

PRIORITY 1

Strategically transition farmland from large-scale, water-intensive commodity agriculture to lower water use crops including small-scale diversified cropping systems

While land repurposing programs should be accessible to farms of all sizes, efforts should prioritize large commercial acreages of high water-use crops. This strategy would meaningfully reduce groundwater demand for the benefit of all regional users, particularly those with limited resources and shallower wells. Programs such as LandFlex demonstrate how targeted farmland fallowing near disadvantaged communities can preserve access to groundwater for drinking water wells and reduce the risk of shallower wells going dry (and the associated costs of replacing wells, which can be prohibitive for small-scale farmers with limited resources), while paying the farmers bearing the cost of fallowing. This approach also reduces the pressure on small farms to fallow their own farmland, which has a disproportionately larger impact on smaller operations than on large farms with multiple options to manage their assets in a land fallowing program.

Smaller operations with lower-water-use crops can be seen as one of the solutions for the land repurposing required for



Soul Food Farm, Solano County

groundwater sustainability. For land with current water-intensive crops that is considered for fallowing, creating opportunities for small-scale farmers to cultivate lower water use crops like annual vegetables, sorghum, millet, or cowpeas on this land would both reduce regional groundwater demand and contribute to ongoing economic activity. For example, converting 500 acres of almonds into 20 parcels of 25 acres each of diversified vegetables creates regional economic opportunities and public health co-benefits through keeping farmland in agricultural production, rather than fallowing land that may become a source of dust and pest problems if unmanaged. This strategy could be combined with support for beginning farmer training programs near disadvantaged communities. In contrast with alternate land uses, such as solar power that would eliminate jobs for farm workers, repurposing land to be available in small plots near disadvantaged communities would provide economic opportunities for farm workers interested in transitioning into small-scale farm operations that provide food for communities with fewer resources.

PRIORITY 2

Support transitions of crops and practices within existing small-scale farms that reduce groundwater demand and/or increase supply

Many small farms can remain viable with support to transition into crops and practices that require less or no irrigation. These transitions include increasing water use efficiency through updated irrigation infrastructure or improved irrigation scheduling, shifting to less water-intensive or dryland crops, incorporating strategic fallow periods in crop rotations, and increasing use of surface water through improved infrastructure. However, these changes often require new markets, technical expertise, and/or upfront investment.

State programs can help support these shifts. The DOC Multibenefit Land Repurposing Program can provide technical assistance for land-use transitions, while CDFA programs such as State Water Efficiency & Enhancement Program or Healthy Soils can support adoption of water-saving practices. Short-term income support paired with training opportunities, market development, and equipment access would help farmers and their employees to smoothly transition to new systems.

PRIORITY 3

Strategically transition land out of irrigated production while equitably supporting the farmers and farmworkers who depend on it

As previously reported, 85% of surveyed small-scale farmers are concerned they may need to shut down their operations (n=54). This concern reflects a broad reality that some farmers, despite limited water use and strong stewardship practices, lack the financial or technical capacity to adapt to reduced groundwater availability. In some regions, particularly those without surface water access, permanent land repurposing or conservation may be the most sustainable long-term option.

A coordinated state-level approach is essential to support these transitions. DWR, DOC, CDFA and the Governor's Office of Business and Economic Development should jointly establish and fund an "Equitable Transition Initiative" to align SGMA implementation with rural economic development, land stewardship goals, and existing conservation programs. By coordinating their efforts, these agencies can help prevent fragmented or inequitable outcomes for small-scale farmers navigating water scarcity, while supporting transitions for the many communities impacted by SGMA.



Laura's Apples, Sonoma County

The “Equitable Transition Initiative” builds on existing efforts for equitable land transitions, which should include farmworkers, rural communities, farm businesses, and long-term sustainability for land, air, and water resources.

Existing programs such as DOC’s Sustainable Agriculture Lands Conservation Program (SALC), MLRP, county land-use initiatives, land trusts, and USDA NRCS conservation easements can facilitate equitable land transitions. Repurposed land can support habitat corridors, renewable energy development, groundwater recharge, or recreation, depending on local priorities.⁷³ However, transitions must also account for broader economic impacts, including the local tax base and farmworker livelihoods. Land repurposing transitions must be strategic to avoid decimating county budgets from reduced property taxes, and should incorporate transitions for farmworkers who currently rely on irrigated agriculture. Programs such as UC ANR Innovate, UC SAREP, UC Small Farms Network, California’s Jobs First initiative, and CDFA’s Beginning Farmer and Farmworker Training Program should be expanded to support the emerging transition needs resulting from SGMA implementation, as should programs of the Center for Land Based Learning (CLBL), the CLBL Farm Academy and the Agriculture and Land Based Training Association.⁷⁴

The “Equitable Transition Initiative” would ensure that SGMA implementation coincides with opportunities for small-scale farmers and rural economic development. When planned with intention, actions shaped by these three priorities could reduce groundwater pumping while generating long-term social, environmental, and economic benefits.



Cali-Dad Farms, Monterey County

Recommendations to DWR, DOC, and CDFA:

1

Target land repurposing to reduce groundwater demand and expand small farm access: Coordinate SGMA-related land repurposing to prioritize large, water-intensive acreage for transition to lower-water-use systems. Where appropriate, support subdivision or leasing of repurposed land into smaller parcels accessible to small-scale farmers dedicated to low-water use crops, particularly near disadvantaged communities. Ensure repurposing strategies maintain land in productive use where feasible and avoid unmanaged fallowing.

2

Invest in small farm transition pathways and workforce development: Expand funding for technical assistance, training, and financial support to help small-scale farmers adopt low-water-use crops and practices. Pair farmer support with workforce development programs that enable transition into new production systems, land uses, or adjacent sectors. Align and scale existing programs (e.g., MLRP and CDFA Climate Smart Ag) to meet growing transition needs.

3

Establish a coordinated “Equitable Transition Initiative”: Create a multi-agency initiative to align SGMA implementation with rural economic development and land stewardship goals. The initiative should provide integrated technical assistance, financial resources, and planning support for farmers and farmworkers navigating land repurposing, crop transitions, or exit from irrigated agriculture, with a focus on equity and regional coordination.

The transition pathways described in this section will not unfold on their own. They require deliberate investment, interagency coordination, and a shared commitment to ensuring that SGMA’s sustainability goals do not come at the expense of the farmers and farmworkers who have the least ability to absorb their costs. Taken together, the four opportunities in this report – from identifying negligible pumpers to supporting strategic transitions – form a coherent and actionable agenda. Getting this right matters not just for small farms, but for the long-term health and integrity of California’s groundwater governance.

CONCLUSION



Ald & Y Organic Farm, Monterey County



Bless'd Blossom, Solano County

Small-scale farmers across California are navigating an increasingly difficult environment. Volatile commodity markets, rising input costs, land consolidation, climate-driven drought, and now the added challenge of adapting to groundwater management under SGMA are converging on producers who already operate with limited financial reserves and few pathways to adapt.

SGMA is a necessary and important step toward long-term water security, and this report affirms that goal. But as implementation moves forward, there is a growing risk that these overlapping pressures — with SGMA adding new compliance costs and constraints to an already strained system — could contribute to the loss of small farms that anchor rural communities, local food systems, and cultural heritage across California. That outcome is not inevitable but, rather, makes thoughtful SGMA implementation critical to the future of these farming communities.

This report documents both the challenges and the opportunities that SGMA implementation presents for small-scale farmers. Limited SGMA awareness, complexity in reporting and fee structures, monitoring tools calibrated for large commodity farms, and governance processes that can be difficult to access all create additional challenges for small-scale farmers who are already managing multiple pressures. Thoughtful, targeted adjustments to how SGMA is implemented can reduce these barriers without compromising sustainability goals.

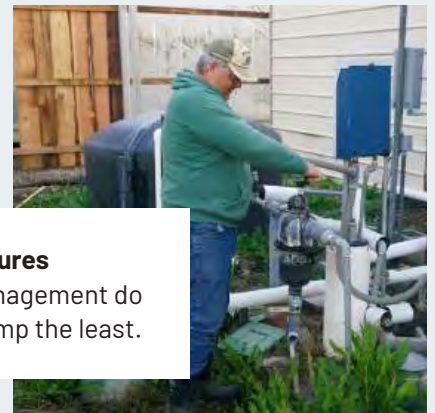
Equitable groundwater management is not a distant aspiration — it is already happening across the state. Sonoma GSAs are working with a small farm Outreach Specialist who directly supports farmers, expanding

meaningful participation across monitoring and water use programs. East Turlock developed a groundwater accounting approach that credits cover crop adoption, directly rewarding the stewardship practices small farms tend to employ. Pajaro Valley's ReNeM program could make on-farm recharge financially viable for smaller operations. These examples demonstrate that SGMA implementation and small farm viability are not in conflict, and that practical, inclusive approaches are within reach for GSAs across the state. The opportunity is to scale what is working. An important area of future work will be developing stronger mechanisms to incentivize and reward farmers — including mid-sized operations — who are already reducing water use and adopting sustainable practices, so that SGMA implementation actively supports those doing the right thing.

Vision for the Future: Small Farms as Part of the SGMA Solution



Groundwater basins are sustainable and small farms are thriving with access to reliable water supplies; local food remains accessible, and rural drinking water is protected.



GSAs are funded through tiered fee structures ensuring that the costs of groundwater management do not fall disproportionately on those who pump the least.



Large-scale acreage currently in water-intensive crops slated for fallowing is transitioned to lower water use, diversified crops preserving working lands and economic opportunity rather than leaving land bare, and opening doors for small-scale farmers to expand access to affordable farmland.



Retention ponds across dozens of small farms allow conjunctive use of pond water with groundwater to irrigate and passively recharge the aquifer during the winter - turning small farms into active partners in basin sustainability.



Farmer liaison staff work collaboratively with local small farms ensuring they understand demand management actions and are able to actively adapt to and participate in SGMA implementation.

Figure 12: Examples of what the future of SGMA could look like with small farms as part of the solution.

The four opportunities this report identifies offer a practical and constructive path forward. **First**, GSAs can establish locally grounded, transparent processes to identify small-scale farmers who contribute minimally to overdraft yet face disproportionate risk. **Second**, state agencies, GSAs, and farmers each have a distinct role to play: DWR can establish a dedicated “Building Small Farm Resilience Under SGMA” fund to sustain technical assistance and support equitable local implementation; GSAs can evaluate how their outreach, fee structures, and management actions affect small producers and adjust accordingly; and small-scale farmers, who bring invaluable on-the-ground knowledge, can participate actively in the governance processes that shape their futures. **Third**, the fifty actionable recommendations in Opportunity 3 offer a concrete roadmap for embedding equity into GSA operations at every level. And **fourth**, for farmers navigating difficult transitions under long-term groundwater constraints, a coordinated “Equitable Transition Initiative” can support crop

transitions, land repurposing, and workforce development in ways that keep working lands and working people on the landscape.

Equity and sustainability are not competing goals under SGMA — **they are mutually reinforcing**. Small-scale farmers contribute least to overdraft yet face disproportionate risk under current implementation, and their loss would undermine the rural economies, food systems, and cultural heritage that they sustain. By embedding equity, transparency, and support into SGMA implementation, California has the opportunity to build a groundwater governance system that protects both its water resources and the farmers who depend on them. **The future success of SGMA will be measured not only by hydrologic indicators, but by whether California’s agricultural communities remain viable, diverse, and resilient.**



Gonzalez Huerta Organic, Monterey County

ADDITIONAL RESOURCES

[Executive Summary](#)



[Reference](#)



[UC ANR Survey Questions](#)



Key Takeaways

[Communities](#)



[GSAs](#)



[State Agencies](#)



