

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 2125 (Bennett)
Version: March 25, 2026
Hearing Date: June 9, 2026
Fiscal: No
Urgency: No
AM

SUBJECT

Groundwater basin adjudication: notice

DIGEST

This bill places new requirements on a plaintiff when filing a notice in a groundwater basin adjudication, including an attachment of any certified or registered mail delivery receipts received as of the date of the filing, as provided. Under the bill, if a return receipt is not received for a parcel of real property, the plaintiff is required to also include an affidavit of the person who posted the notice specifying the date, time, and physical location of each parcel of real property where the posting occurred, accompanied by a photograph depicting the posted notice.

EXECUTIVE SUMMARY

Groundwater is a critical source of water supply in this state that meets more than 40 percent of water demand in an average year and more than 60 percent of demand during drought years. The adjudication of groundwater rights in the state can be complex and involve many parties and counterclaims. In 2014, the Sustainable Groundwater Management Act (SGMA) was passed to establish local groundwater sustainability agencies (GSAs), who are responsible for implementing SGMA by bringing their over-drafted groundwater basins into sustainable yield. This bill seeks to protect small farmers and individual water rights holders by ensuring they receive notice of an adjudication that may impact their water rights.

The bill is author sponsored. No timely support or opposition was received by the Committee. Should this bill pass this Committee, it will then be referred to the Senate Natural Resources and Water Committee.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes SGMA with the goal of providing for the sustainable management of groundwater basins, enhancing local management of groundwater consistent with rights to use or store groundwater, providing local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater, and establishing minimum standards for sustainable groundwater management. (Wat. Code § 10720 et seq.)
- 2) Authorizes the creation of local GSAs and requires GSAs to consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans (GSP). (Wat. Code § 10723.2.)
- 3) Establishes the procedures for a court to use when adjudicating a groundwater basin. (Code Civ. Proc. §§ 830 et seq.)
- 4) Provides that in a comprehensive adjudication, the court may determine all groundwater rights of a basin, whether based on appropriation, overlying right, or other basis of right, and use of storage space in the basin. (Code Civ. Proc. § 834.)
- 5) Provides that a court may enter a judgment in a comprehensive groundwater adjudication if the court finds that the judgment meets all of the following criteria:
 - a) it is consistent with Section 2 of Article X of the California Constitution;
 - b) it is consistent with the water right priorities of all non-stipulating parties and any persons who have claims that are exempted in the basin;
 - c) it treats all objecting parties and any persons who have claims that are exempted as compared to the stipulating parties; and
 - d) it considers the water use of and accessibility of water for small farmers and disadvantaged communities, as provided. (Code Civ. Proc. § 850(a).)
- 6) Requires a court presiding over an adjudication to manage the proceedings in a manner that does not interfere with the completion and implementation of a GSP and that is consistent with sustainable groundwater management under SGMA. (Wat. Code § 10737.2.)
- 7) Provides a court is not to approve entry of judgment in an adjudication action for a basin required to have a GSP unless the court finds that the judgment will not substantially impair the ability of a GSA, the State Water Resources Control Board (SWRCB), or DWR to comply with SGMA and to achieve sustainable groundwater management. (Code Civ. Proc. § 850(b); Wat. Code § 10737.8)

- 8) Authorizes a court, if the court finds that claims of right to extract or divert only minor quantities of water (not more than five acre-feet of water per year) would not have a material effect on the groundwater rights of other parties, to do either of the following:
 - a) exempt those claimants, but a person who is exempted may elect to continue as a party to the comprehensive adjudication;
 - b) treat those claimants separately from other parties to the comprehensive adjudication by separately processing and entering orders with respect to those persons, in order to reduce their burden of participation and more efficiently administer the case. (Code Civ. Proc. § 833(d).)
- 9) Requires the plaintiff to take certain actions to serve notice regarding the comprehensive adjudication, including mailing, by registered or certified mail, return receipt requested, the notice, complaint, and form answer to all holders of fee title to real property in the basin. (Code Civ. Proc. § 836(d).)
- 10) Requires the plaintiff, after completing the notice required in 9, to file with the court a notice of the completion of the mailing. (*Id.* at subd. (e).)
- 11) Provides that the court may authorize any other procedures it finds appropriate and necessary to provide notice to persons who may hold groundwater rights in the basin. (*Id.* at subd. (i).)

This bill:

- 1) Requires a plaintiff to include in the notice of the completion of mailing described under 10, above, to also include an affidavit of the person who mailed the mailing notice stating the date, time, and place of mailing for each parcel, and the notice must include as an attachment any certified or registered mail delivery receipts received as of the date of the filing.
- 2) Requires, if return receipt is not received for a parcel of real property, the mailing notice to also include an affidavit of the person who posted the notice in a conspicuous place on the real property specifying the date, time, and physical location of each parcel where the posting occurred, accompanied by a photograph depicting the posted notice.
- 3) Clarifies that the court may require the plaintiff to utilize restricted delivery of all mailed notices.

COMMENTS

1. Stated need for the bill

The author writes:

AB 2125 protects small farmers and individual water rights holders by making certain that they receive notice of an adjudication that could impact their rights. In Ventura County, the Las Posas case impacted thousands of residents – many of whom never received notification of the case. In something as fundamental as the right to water, a simple addition of providing proof to the court that the mailing had been received, and not just mailed, seems to be a minor burden on the plaintiffs. It is a question of good government: should we ensure that everyone has all the information to ensure a level playing field? I believe we should.

2. Adjudication of water rights and SGMA

The adjudication of water rights in the state can be complex and involve many parties. According to the State Water Resources Control Board a “water right” is a legal entitlement authorizing water to be diverted from a specified source and put to beneficial, nonwasteful use. Water rights are property rights, but their holders do not own the water itself.”¹ Existing state law recognizes three types of water rights – riparian rights, appropriative rights, and groundwater rights. With the impacts of climate change affecting the scarcity and availability of water, via droughts and other conditions, litigation around water rights will likely increase in the near future. This bill is focused on addressing concerns with the adjudication of groundwater rights and the sustainability of groundwater basins.

a. SGMA

In 2014, the Legislature passed SGMA,² which put in place a statewide framework for groundwater management for the first time, but specified that it did not alter surface or groundwater rights. The purpose of SGMA was to address overdraft and other adverse effects of excessive pumping of groundwater. SGMA specifically provides that its provisions do not determine or alter surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights. (Wat. Code § 10720.5(b).) After the enactment of SGMA, the Legislature passed SB 226 (Pavley, Ch. 676, Stats. 2015) and AB 1390 (Alejo, Ch. 672, Stats. 2015) with the intent of streamlining the adjudication process for groundwater rights. Under SB 226, a court must adjudicate rights to groundwater in a basin that is required to have a GSP under

¹ State Wat. Resources Control Bd., *The Water Right Process* (updated Aug. 20, 2020), available at https://www.waterboards.ca.gov/waterrights/board_info/water_rights_process.html.

² Enacted through a three bill package AB 1739 (Dickinson, Ch. 347, Stats. 2014), SB 1168 (Pavley, Ch.346, Stats. 2014), and SB 1319 (Pavley, Ch. 348, Stats. 2014).

SGMA in a manner that minimizes interference with the timely completion and implementation of a GSP, avoids redundancy and unnecessary costs in the development of technical information and a physical solution, and is consistent with the attainment of sustainable groundwater management within the timeframes established by SGMA. (Wat. Code § 10737.2.) AB 1390 authorized a GSA for the basin, a city, county, or city and county that overlies the basin, and certain persons to intervene in a groundwater adjudication. (Code Civ. Proc. § 837 & 837.5.) Last session, AB 779 (Wilson, Ch. 655, Stats. 2023) was enacted to, among other things, to ensure that the water use of small farmers and disadvantaged communities have been considered by a court before a judgment is entered.

b. Groundwater adjudication proceedings

Under state law, every overlying property owner has a potential right in an unadjudicated groundwater basin, which makes adjudication of those rights difficult and often a very lengthy process – sometimes taking more than a decade for water rights holders and basin managers to come to an agreement. Prior to the enactment of SGMA, adjudications were the only form of state oversight on groundwater basins. In a common law adjudication, groundwater basins are managed according to the concept of “safe yield,” and overlying appropriators are limited when total basin groundwater extraction exceeds the basin’s safe yield, leading to basin overdraft. The safe yield of a groundwater basin is “the maximum amount of water that could be extracted annually, year after year, without eventually depleting the underground basin. Safe yield is generally calculated as the net of inflows less subsurface and surface outflows.” (*City of Santa Maria v. Adam* (2012), 211 Cal.App.4th 266, 279.) The safe yield is used by the court to decide on a physical solution for the basin.

A year after the enactment of SGMA, the Legislature enacted streamlined groundwater adjudication statutes. (Gov. Code §§ 830 et seq.; AB 1390 (Alejo, Ch. 672, Stats. 2015.) Under these statutes, a court may enter a judgement in a comprehensive groundwater basin adjudication if the judgement is consistent with the reasonable use doctrine, is consistent with the rights of parties exempted from the adjudication, and treats all objecting and exempted parties equitably. (Code Civ. Proc. § 850(a).) Any party to the adjudication may propose a stipulated judgment to the court, and the court may adopt the stipulated judgement if the parties proposing the settlement represent 75 percent of the groundwater pumped in the basin or if 50 percent of the pumpers in the basin agree to the stipulated judgment (*Id.* at (b).) The party proposing the stipulated judgment may submit the proposed stipulated judgment to DWR for an evaluation and assessment that it satisfies the objects of SGMA for the basin, and DWR can recommend corrective actions. (Wat. Code § 10737.4.) The court may determine it is necessary to amend the judgment to adopt DWR’s recommended corrective actions. (*Ibid.*). This process, however, is only triggered if a party chooses to submit the proposed settlement. Additionally, a court is not to approve entry of judgment in an adjudication action for a basin required to have a GSP unless the court finds that the judgment will not

substantially impair the ability of a GSA, SWRCB, or DWR to comply with SGMA and to achieve sustainable groundwater management. (Wat. Code § 10737.8.) A court is also required to consider the water use of, and accessibility of water for, small farmers and disadvantaged communities when issuing a judgment in a comprehensive water adjudication. (Code Civ. Proc. § 850(a)(4).)

3. Ensuring notice in a groundwater basin adjudication

In the Las Posas Groundwater Basin adjudication, the notice method provided for in AB 1390 was used. The author argues that over 15,000 landowners were involved and some of the return receipts were defective, which led to some farmers not receiving notice of the adjudication. However, the court in the Las Posas Groundwater Basin adjudication did not find that proper notice under existing law was not met. (*Las Posas Valley Water Rights Coalition et al v. Fox Canyon Groundwater Management Agency et al*, Case No. VENC100509700, Statement of Decision, Evid. Hearing on 4/8/2025, a. p. 18-19.) As failure to answer the notice of the adjudication is equivalent to a default judgment, the author posits that too many landowners, especially small farmers and landowners, are losing their water rights in proceedings they did not know were occurring. This bill seeks to bolster the notice requirements in order to ensure that all affected parties in a groundwater basin adjudication are able to secure their water rights

SUPPORT

None received

OPPOSITION

None received

RELATED LEGISLATION

Pending Legislation: AB 1413 (Papan, 2025) makes various changes to comprehensive groundwater adjudication procedures and to SGMA including, amongst others, providing that a court's judgment substantially interferes with the implementation of SGMA if the judgment permits more total pumping from a basin annually or on average than a valid GSP. AB 1413 is currently on the inactive file on the Senate Floor.

Prior Legislation:

AB 1466 (Hart, Ch. 643, Stats. 2025), among other things, authorized a court to exempt or treat separately claimants who extract or divert minor quantities of water, and require a party's initial disclosure to include information relating to agricultural use in a groundwater adjudication.

AB 560 (Bennett, 2024) would have required parties to a comprehensive groundwater adjudication to submit a proposed settlement to the State Water Board for a nonbinding advisory determination regarding its impact on sustainable groundwater management and small and disadvantaged users prior to filing it with the court, among other provisions. AB 560 died in the Senate Appropriations Committee.

AB 779 (Wilson, Ch. 665, Stats. 2024), made various changes regarding proceedings in a comprehensive groundwater adjudication to increase transparency and account for the needs of disadvantaged communities and small farmers in a final judgment, and provided that groundwater pumpers in a basin subject to an adjudication continue to comply with any applicable GSP while the adjudication is pending.

SB 226 (Pavley, Ch. 676, Stats. 2015) integrated and streamlined the groundwater adjudication process for groundwater basins that are subject to SGMA.

AB 1390 (Alejo, Ch. 672, Stats. 2015) established requirements and procedures for a comprehensive groundwater adjudication to ensure the proceedings and final judgment are consistent with sustainable groundwater management.

SB 1168 (Pavley, Ch.346, Stats. 2014) was part of the three-bill package that enacted SGMA.

SB 1319 (Pavley, Ch. 348, Stats. 2014) was part of the three-bill package that enacted SGMA.

AB 1739 (Dickinson, Ch. 347, Stats. 2014) was part of the three-bill package that enacted SGMA.

PRIOR VOTES

Assembly Floor (Ayes 72, Noes 0)

Assembly Judiciary Committee (Ayes 12, Noes 0)
