

Sustainable Groundwater Management Act (SGMA) Fees

June 11, 2025



Division of Administrative Services – Fee Branch

Staff Presentation

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Background

- The State Water Board has the authority to protect groundwater resources through state intervention and collect extraction reports and fees when either:
 - There are areas of SGMA basins that are not managed by a groundwater sustainability agency, or
 - The State Water Board finds that a basin's management is deficient and designates the basin as probationary at a hearing
- Current SGMA fee schedule adopted in 2017
 - adjusted in 2024 due to the potential to over-collect
- Board members requested staff to consider potential impacts to small farmers

Staff Proposal

- Required revenue amount: \$5.5 million per year
- Current fee: \$300 per well plus \$20 per acre-foot of groundwater extracted
- Current projected revenue for Water Year 2025 is \$6.4 M
- Proposed fee:
 - No change to base fee
 - Graduated fee structure with higher fees for larger extractors
- No changes proposed for any other element of the SGMA extraction reporting fees

Potential Revised SGMA Fees

Extraction bracket (ac-ft)	Proposed Volumetric Fee (\$)	Extractors	Projected Revenue (\$M)
2 - 305	\$5	3,556	\$0.07
306 - 667	\$9	297	\$0.42
668 - 1,175	\$14	152	\$1.11
1,176 - 2,311	\$24	85	\$1.9
Greater than 2,311	\$40	34	\$3.18
Total		4,124	\$6.66

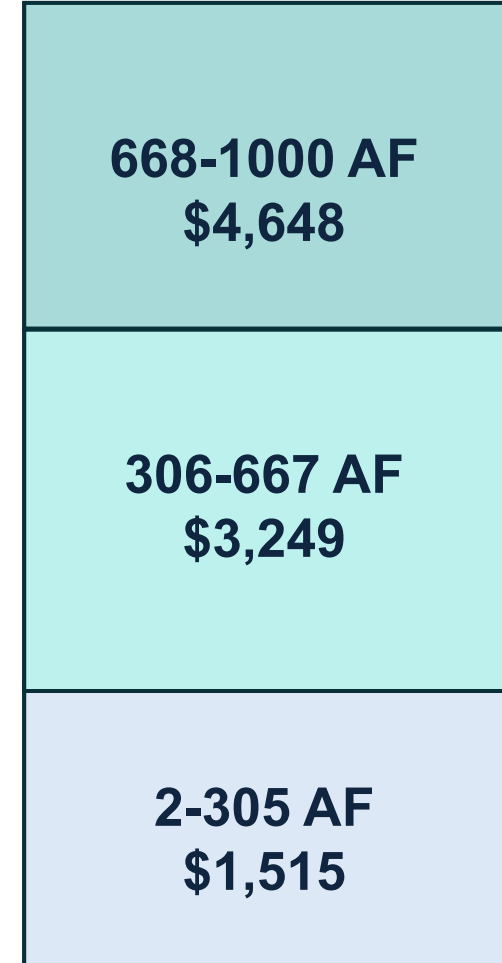
EXAMPLE
1,000 AF
pumped in
one year

Current Fees



Total \$20,000

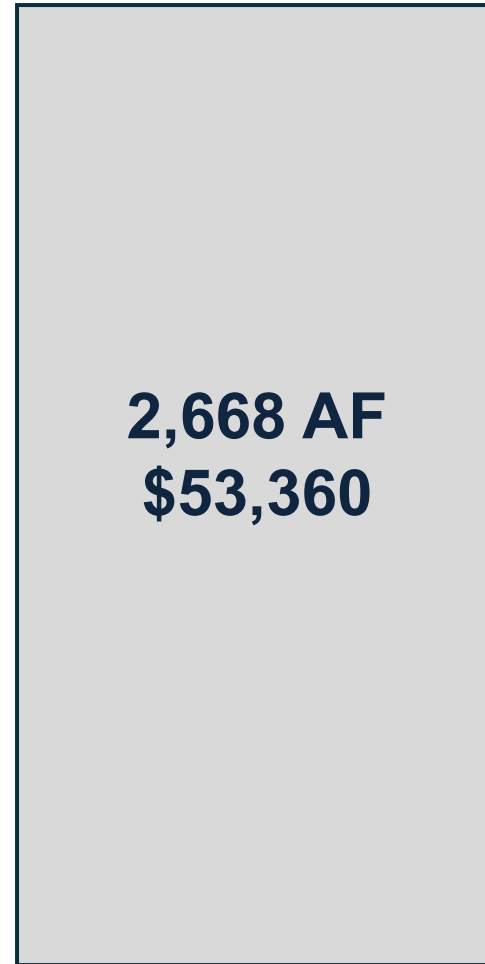
Proposal



Total \$9,412

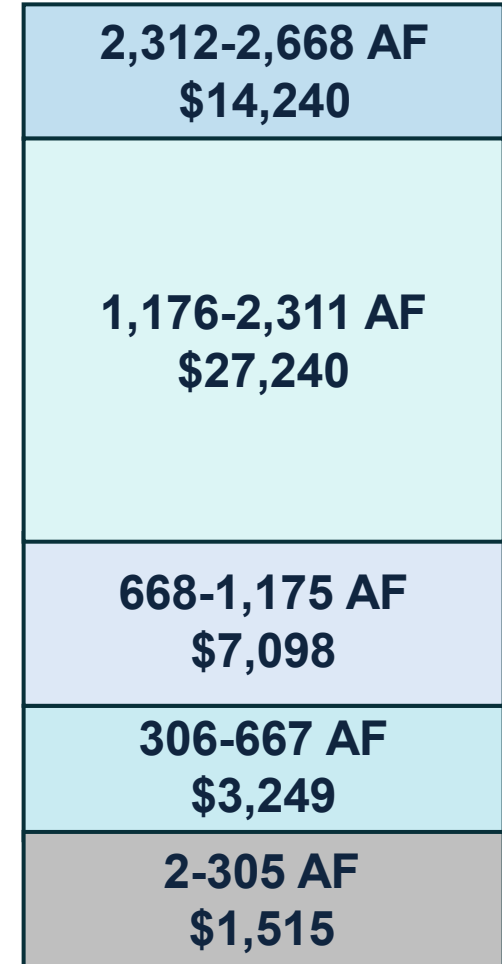
**Extractions
below 2,669
acre-feet
would be
charged
less under
the
proposal**

Current Fees



Total \$53,360

Proposal



Total \$53,342

Challenges

- SGMA state intervention is a new Board program with different legislative fee authority than other fee-funded programs, resulting in significant unknowns:
 - Whether, when and how many basins will be declared probationary
 - How long a basin may require state intervention
 - Extraction levels
 - The potential timing of reporting and fee payments

Moving Forward

- Revenue is deposited in the Water Rights Fund (WRF) and is only authorized for SGMA work regarding state intervention
- Fee Unit staff will regularly monitor SGMA fee revenue, and any reserves from prior collections, as part of the annual review of the WRF