

Q2 2026

MARCH 2026 – MAY 2026

Q2 2026 QUARTERLY REVIEW

SGMA in a Nutshell

Quarterly Groundwater & SGMA updates for Walnut Growers

PERIOD

March 2026 – May 2026

PREPARED BY

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THE QUARTER IN ONE LOOK

California's Q2 in a single contrast: full reservoirs, vanished snowpack.

Q2 2026 distilled California's new water-year shape in a single contrast: statewide reservoirs at 117% of average and Lake Oroville near 99% of capacity, yet by mid-May Sierra snowpack collapsed to ~12% after a record-hot, historically dry March in which the southern Sierra recorded zero precipitation for the first time in 104 years — extremes DWR Director Karla Nemeth called "practice rounds" for a climate California's water systems weren't built for ([April 7 State Water Board SGMA recap](#)). Against that backdrop, groundwater agencies pushed SGMA into orchard-level practice. **North Valley** GSAs moved from drafting to billing — Colusa raised its per-acre fee, Wyandotte Creek restructured to cropped-acreage-only, and Vina opened its first periodic-evaluation window. In the **Mid Valley**, rate hikes and Phase 2 fees dominated — Modesto and Turlock opened 42- and 48-inch surface-water seasons, Merced's ~\$15-per-acre Phase 2 fee headed to a Prop 218 hearing, and East Turlock mailed true-up invoices. In the **South Valley**, state oversight and golden mussels defined the year: the State Water Board denied all eight Tule exclusion requests on April 21, Arvin-Edison ran its first-of-its-kind copper mussel treatment, and Wheeler Ridge-Maricopa added a \$15-per-acre mussel surcharge. The bottom line: surface water is here for now, but the cost of compliance — and of state oversight — climbs in a nutshell.

MUST-KNOW UPDATES THIS QUARTER

The Four Stories That Defined Q2

Four stories defined Q2 for walnut growers: the State Water Board closing the Tule Subbasin's exit ramps, a water year that survived a near-empty March, \$540 million in federal canal money landing in the Central Valley, and well registration crossing from encouraged to mandatory in the Kaweah and Kings subbasins. Each carries a near-term action item — see the **What to do** / **What to watch** lines below.

Tule Subbasin Loses Exclusion Requests as State Probation Fees Advance

On April 21, the State Water Board denied all eight exclusion requests from groundwater sustainability agencies (GSAs, the local boards that run SGMA implementation) in the Tule Subbasin (a state-designated groundwater region) — Lower Tule River, Pixley, Porterville, Saucelito, Terra Bella, Tri-County, Tea Pot Dome, and Vandalia. At the GSA level, only Delano-Earlimart and Kern-Tulare keep pre-existing exemptions granted at the September 2024 hearing. Lower Tule staff reported that the State Water Board is developing an interim plan that could limit allocations to native safe yield only — less than 0.25 acre-foot per acre, the amount the region can pump long-term without worsening overdraft — and could include a pumping moratorium within two miles of a major canal corridor, with the exact facility still to be confirmed. Growers face an estimated \$40-60 per acre in new state fees on top of their GSA fees, with total Tule Subbasin exposure on the order of \$12 million; Pixley alone is on the hook for roughly \$2.3 million.

What to do: If your land sits in the Tule Subbasin, talk to your GSA about its position on the single sub-basin-wide groundwater sustainability plan (GSP, the SGMA roadmap for bringing pumping into balance) that most Tule GSAs are now pursuing — that consolidation path is the visible exit ramp out of state oversight.

READ MORE

Lower Tule May 2026; Pixley GSA April 2026; Tea Pot Dome April 2026

The Snowpack Vanished in March. Here's How the Water Year Survived Anyway.

March 2026 was historically dry — Northern Sierra snowpack sat at just 24 percent of normal, the southern Sierra recorded zero precipitation for the first time in 104 years, and peak runoff was already past by April. Then April storms helped reservoir storage rebound — Lake Oroville reached 99 percent of capacity, statewide reservoirs hit 117 percent of average, and federal San Luis approached 700,000 acre-feet in mid-spring. The Department of Water Resources and the U.S. Bureau of Reclamation bumped allocations mid-quarter — the State Water Project from 30 to 45 percent on May 15, and Central Valley Project south-of-Delta agricultural contractors from 15 to 25 percent. By mid-May, statewide snowpack was about 12 percent of average, signaling a compressed summer delivery window.

What to do: Ask your district for its current delivery window now; Kings-area reports point to a season ending around July, and local delivery windows can vary sharply — talk to your district about carryover or banking options to push some allocation into 2027.

READ MORE

San Luis & Delta-Mendota Water Authority May 2026; North Kings GSA April 2026; Lower Tule River May 2026; Friant Water Authority March 2026

Federal Government Announced \$540 Million for California Water Conveyance and Storage

In March, the Department of the Interior announced \$540 million for California water conveyance and storage projects from the 2025 One Big Beautiful Bill Act: \$235 million for the Delta-Mendota Canal, \$200 million for the Friant-Kern Canal Middle Reach, \$50 million for the San Luis Canal, \$40 million for Shasta Dam planning, and \$15 million for the Tehama-Colusa Canal pumping plant. Westlands reported the funding is non-reimbursable, meaning local Central Valley Project (CVP) contractors would not be charged back for it. Friant Water Authority targets a late-June notice to proceed on five Phase 1 replacement pump stations tied to Friant-Kern Canal capacity-correction work intended to help restore delivery capacity to south-valley orchards. Separately, San Luis & Delta-Mendota reported that roughly \$650 million in Inflation Reduction Act (IRA) drought funds face a September 30 obligation deadline.

What to watch: Whether restored canal capacity changes your district's surface water deliveries in 2027 — and whether the separate \$650 million in IRA drought funds gets obligated before its September 30 deadline.

READ MORE

Friant Water Authority March 2026; Westlands March 2026; San Luis & Delta-Mendota Water Authority March 2026

Unregistered Wells May Lose Next Year's Water Allocation

In several south-valley GSAs (groundwater sustainability agencies — the local boards that run SGMA implementation), well registration is moving from encouraged to mandatory, with direct water-allocation consequences. Greater Kaweah GSA tied registration to its main carryover and transfer options — unregistered wells lose those options and may face civil penalties of up to \$1,000 plus \$100 per day. Mid-Kaweah is moving toward mandatory registration tied to Water Year 2027 allocations, after April 6 and April 21 stakeholder workshops and before any formal board action. In the North Kings GSA / Fresno ID area, more than 8,200 wells have been registered, and certified notices to unregistered well owners are expected to begin in June.


What to do: Inventory every well on every parcel you operate and confirm registration status with your GSA this summer; pay particular attention if you're in the Kaweah or Kings subbasins, where registration enforcement is moving quickly.

READ MORE

Greater Kaweah March 2026; Mid-Kaweah March 2026; Fresno Irrigation District May 2026; North Kings GSA April 2026


WATER SWOT FOR WALNUT GROWERS





This Quarter's Signals at a Glance



Water SWOT for Walnut Growers

This Quarter's Signals



STRENGTHS 	WEAKNESSES 
<p>S1. Reservoirs Rebounded After April Storms — Oroville at 99% of capacity. Statewide reservoirs 117% of average. SWP 30%→45%; CVP south-of-Delta ag 15%→25% by mid-May.</p> <p>S2. \$540M Federal Conveyance & Storage Funding — DOI announcement from 2025 OBBBA. \$235M Delta-Mendota Canal. \$200M Friant-Kern Canal Middle Reach. \$50M San Luis Canal. \$40M Shasta Dam planning. \$15M Tehama-Colusa. NTP late June.</p> <p>S3. Recharge Capacity Coming Online — Consolidated ID's Nebraska-Walnut Phase 2 basin ~90% complete. Camden-Wolf ~50% built. Turlock Lake already recharging 80–100 AF/day this spring.</p>	<p>W1. Historic March Snowpack Collapse — Northern Sierra snowpack 24% of normal in March. Southern Sierra recorded zero precipitation in March — first time in 104 years. Summer delivery window now compressed.</p> <p>W2. Golden Mussel Costs Becoming Recurring — Arvin-Edison spent ~\$2.75M on first full-system copper treatment. ~\$1.79M/yr ongoing maintenance if adopted. Wheeler Ridge-Maricopa now passing \$15/acre to growers.</p> <p>W3. Subsidence Monitoring Lost Its Anchor — USBR shut down GPS benchmark program July 2025. DWR declined to take it over. Agencies now relying on InSAR — modelers say it overestimates ground sinking.</p>
OPPORTUNITIES 	THREATS 
<p>O1. Prop 4 Grants Opening — ~\$472M total moving forward (~\$320M SGMA implementation + DWR's ~\$152M watershed resilience). Applications early 2027. Awards 2027–28. Ask your GSA what it's preparing.</p> <p>O2. Retroactive Domestic Well Mitigation — Merced Subbasin: programs retroactive to Jan 28, 2020. South Fork Kings: up to \$40K/well. Madera County: \$35K cap, full restoration of failed wells.</p> <p>O3. Active Recharge & Banking Markets — Westlands recharge credits ~\$190/AF. Turlock ID out-of-district replenishment \$50/AF. Kern County WA: 73,000 AF Metropolitan WD water into Semitropic banking.</p> <p>O4. Demand-Management Payments for Idled Land — Greater Kaweah land-fallowing program: up to \$2M, \$400/acre, ~5,000 acres. Chowchilla Subbasin: Groundwater Demand Management program adopted as State Water Board backstop.</p>	<p>T1. Tule Subbasin Faces Native-Yield-Only Cuts — SWRCB denied all 8 Tule GSA exclusion requests April 21. Interim plan could cap allocations at <0.25 AF/acre. Grower exposure: ~\$40–60/acre on top of GSA fees.</p> <p>T2. Unregistered Wells May Lose Carryover, Transfers, Future Allocations — Greater Kaweah ties registration to Tier 1/2 carryover & transfer eligibility. Penalties up to \$1,000 + \$100/day. Mid-Kaweah moving toward Oct 2026 deadline tied to WY 2027 allocations, before formal board action.</p> <p>T3. SWP Cost Burden Keeps Growing — State Water Contractors face ~\$6B in SWP infrastructure costs (\$3B California Aqueduct subsidence + \$3.2B Delta levees). Wheeler Ridge-Maricopa cut DCP participation 32%→1%.</p> <p>T4. New Per-AF & Per-Well Fees Climbing Fast — Lower Tule River ID GSA: \$1.27/AF base, \$810.84/AF exceedance, \$500/AF penalty. Tule probationary pumpers in Pixley/Porterville face SWRCB fees of \$300/well + \$20/AF pumped.</p>

Quarter's signals across strengths, weaknesses, opportunities, and threats. Read alongside the Must-Knows.

WHAT WE'LL BE WATCHING NEXT QUARTER

Three Signals to Track

Three watch-items shaping how the next quarter lands on Central Valley walnut orchards — from probation exits to per-acre fees to long-cycle storage and grant money.

SIGNAL · 01

Tule Subbasin's Probation Exit Test

Across the Central Valley, the next quarter will hinge on whether most Tule Subbasin GSAs can deliver the single sub-basin-wide groundwater sustainability plan that became the visible exit ramp from state probation this spring.

SIGNAL · 02

New Per-Acre Costs Landing on 2026 Tax Bills

Closer to harvest, watch the Kaweah subbasin's well-registration push (Mid-Kaweah is moving toward an October 2026 deadline tied to Water Year 2027 allocations, before formal board action) and the Merced Subbasin's Prop 218 hearing on its proposed Phase 2 fee to see how much new per-acre cost lands on 2026 tax bills.

SIGNAL · 03

Long-Cycle Storage & Funding for the Next Dry Stretch

Statewide, two slow-moving variables — Sites Reservoir's water-right decision and the Proposition 4 grant timeline — will shape whether new storage and SGMA-implementation money reach growers in time for the next dry stretch.

WaterOne.ai attends 100+ GSA, Irrigation District, and Water Agency Board Meetings to keep you up to date on all the SGMA updates. Go to waterone.ai to sign up for their free email newsletter, and access their database.

This article is for informational purposes only and does not constitute legal, financial, or technical advice. Please confirm details with your local agency or GSA.

— APPENDIX —

Main Changes by Region

Detail-level snapshots of the most consequential GSA, irrigation-district, and water-agency board actions across the Central Valley this quarter. Organized North to South.

North Valley

SACRAMENTO VALLEY / NORTH OF CHICO

Vina GSA Begins Critical Decision Window on Its First Groundwater Plan Update

Vina groundwater sustainability agency's (GSA) Stakeholder Advisory Committee voted in May to recommend the Board adopt satellite-based subsidence monitoring (InSAR, a satellite radar technique that measures how much the ground is sinking) — with a new half-foot cumulative threshold — as part of the Vina Subbasin's (the local groundwater area's) first five-year periodic evaluation (a state-mandated checkup), due January 2027.

Grower Impact: Decisions made between now and August set the groundwater rules walnut growers in Butte County will live under for the next five years, so watch the June and July Vina Stakeholder Advisory Committee and Joint Board meetings if your orchards sit in this subbasin.

Vina GSA May 2026 Stakeholder Meeting; Vina GSA April 2026

Colusa Groundwater Authority Raises Its Per-Acre Fee and Starts Drafting a Demand-Management Program

Colusa Groundwater Authority adopted a \$1.45-per-acre operations fee for fiscal year 2026-27 — up from \$1.00 last year — to fund a roughly \$632,000 budget that includes drafting a demand-management program (the policy framework that decides when and how pumping gets reduced if the groundwater basin slides toward trouble), with the framework itself due by January 2027.

Grower Impact: Your 2026 property tax bill will carry the higher per-acre charge, and the demand-management framework being drafted this year will determine whether and how Colusa County growers face new pumping fees down the road.

Colusa Groundwater Authority May 2026; Colusa Groundwater Authority March 2026

Wyandotte Creek GSA Restructures How Ag Pays — Cropped Acreage Only

Wyandotte Creek GSA (Butte County) adopted a new fee structure in May charging every parcel a \$20.50 flat fee plus a separate per-acre charge of \$15.58 per cropped or managed-wetland acre — or \$13.26 per acre for those served by South Feather Water and Power or Feather River surface deliveries — leaving fallow and grazing land to pay only the flat parcel fee.

Grower Impact: Walnut and other orchard owners will see a per-acre line item only on the acres they actively farm, which should lower bills for parcels with substantial fallow ground compared with the prior flat-acre approach.

Wyandotte Creek GSA May 2026; Wyandotte Creek GSA March 2026

Glenn-Colusa Irrigation District Tightens Rules on Private Laterals and Points of Delivery

Glenn-Colusa Irrigation District updated its Operations and Maintenance Policy in May to formalize the definitions of "point of delivery" and "point of use" and clarify which laterals are district-owned versus landowner-owned, mailing draft Category 5 private-lateral agreements to affected landowners with a 14-day review window.

Grower Impact: If your orchard sits behind a private lateral inside GCID's service area, you may be asked to formally take on maintenance responsibilities — read the agreement carefully and flag any concerns within the review window before signing.

Glenn-Colusa Irrigation District May 2026; Glenn-Colusa Irrigation District April 2026

Mid Valley

SAN JOAQUIN / STANISLAUS / MERCED / MADERA

Modesto Irrigation District Opens an Uncapped 42-Inch Season — and a Groundwater Replenishment Year

Modesto ID approved a 42-inch uncapped surface water allocation for 2026 (March 11 through a tentative October 23 close), officially triggering a Groundwater Replenishment Program year that allows eligible participants to use surface water in lieu of pumping groundwater — though Tuolumne watershed snowpack came in at only 54 percent of the April 1 average.

Grower Impact: Walnut growers in MID's footprint can use the district's uncapped 42-inch allocation this year and should evaluate whether to enroll in Groundwater Replenishment, but plan irrigation timing carefully because reservoir inflows could taper earlier than usual.

Modesto Irrigation District March 2026

Turlock Irrigation District Sets a 48-Inch Season — and Year-Two Rate Increases Take Effect

Turlock ID approved a 48-inch surface water allocation (March 12 – October 28) with the Tier 1 (in-quota) volumetric rate rising to \$3.23 per acre-foot (the amount of water needed to cover one acre, one foot deep) — up from \$2.70 last year — plus a \$60-per-acre fixed charge, and made replenishment water available at \$20 per acre-foot inside the district and \$50 per acre-foot for lands outside TID but within the Turlock Groundwater Subbasin.

Grower Impact: Heavy users will feel the Tier 1 rate increase across the full season, but growers on land outside TID and inside the subbasin now have a defined route to replenishment water rather than relying entirely on pumping.

Turlock Irrigation District March 2026

Merced Subbasin GSA Proposes New ~\$15-Per-Acre Phase 2 Fee Heading Into a Prop 218 Hearing

Merced Subbasin GSA released its Phase 2 Fee Engineer's Report in March proposing an ongoing annual charge of up to roughly \$15.11 per acre to fund a \$2.81 million budget for administration, monitoring, and domestic well mitigation across roughly 186,000 acres — replacing the now-expired Phase 1 charge after a Proposition 218 (California's notice-and-majority-protest process for property-related charges) hearing.

Grower Impact: If adopted at the maximum rate, walnut growers in the Merced Subbasin will see this charge on their property tax bill — but the Prop 218 hearing window is the formal opportunity to weigh in before the rate is locked.

Merced Subbasin GSA March 2026

East Turlock GSA Mails Groundwater Use Fee True-Up Invoices — and Over-Allocation Penalties Are About to Double

East Turlock GSA mailed its Groundwater Use Fee true-up invoices on March 23 covering the November 2024 – October 2025 reporting period (with payment and any appeals that were due May 7), and staff confirmed Category 3 over-allocation fees will rise from about \$138 per acre-foot today to roughly \$316 per acre-foot next year.

Grower Impact: Anyone irrigating in East Turlock should reconcile actual usage against their groundwater account using the now-open 2026 reporting tools — and if you missed the May 7 modification deadline, contact the GSA before paying a disputed bill, since the higher 2026 over-allocation rate is coming.

East Turlock GSA March 2026; East Turlock GSA May 2026

South Valley

FRESNO / KINGS / TULARE / KERN

Arvin-Edison WSD Runs a First-of-Its-Kind Full-System Golden Mussel Treatment

Arvin-Edison Water Storage District completed a copper-based treatment of its entire canal system in April using the product Natrix CA, reporting 100 percent mortality of caged test mussels during the 28-day window at an initial cost of roughly \$2.75 million.

Grower Impact: Mussel response could become a recurring cost for Arvin-Edison growers if the board adopts the staff's proposed follow-on maintenance program, estimated at about \$1.79 million per year.

Arvin-Edison WSD April 2026

Wheeler Ridge-Maricopa WSD Adds a \$15-Per-Acre Mussel Charge on Top of a 1.72 Acre-Foot Allocation

Wheeler Ridge-Maricopa approved its 2026 surface-water rates in May based on the district's 30 percent State Water Project rate-setting assumption — working out to about 1.72 acre-feet per acre at a melded rate of \$502 per acre-foot after groundwater service credits — and added a \$15-per-acre Operations, Maintenance and Replacement charge to fund golden mussel response.

Grower Impact: Kern County walnut growers in Wheeler Ridge-Maricopa face both a lower surface-water ration than they would in a wetter year and a new flat per-acre charge, so 2026 cost-per-acre rises even before accounting for supplemental pumping or banking purchases.

Wheeler Ridge-Maricopa WSD May 2026

Westlands Water District Prices Recharge Credits at ~\$190 Per Acre-Foot and Drafts Land-Stewardship Rules

Westlands priced its district recharge credits at roughly \$190 per acre-foot on a subscription basis in March when the initial federal Central Valley Project (CVP, the federal water-delivery system) allocation sat at 15 percent (it later rose to 25 percent), and the board directed staff to draft modifications tying future water allocations to "proper land stewardship" — with the draft rule expected back in April or May.

Grower Impact: Westlands growers can stretch a constrained surface-water year by buying into recharge credits, but if the land-stewardship rule advances, allocations could eventually be conditioned on how a parcel is maintained rather than just on contract acreage.

Westlands Water District March 2026

Semitropic WSD Preliminarily Sets \$500-Per-Acre-Foot Overage Penalties for 2025 Water-Budget Exceedances

Semitropic Water Storage District preliminarily fixed water-budget overage penalties at \$500 per acre-foot for landowners who exceeded their 2025 individual water budgets — with total preliminary charges of about \$1.8 million district-wide after screening out small users (down from \$3.6 million before screening) — and reported irrigated acreage has fallen from roughly 135,000 acres in 2015 to about 115,000 in 2025, keeping the district on schedule for its long-term sustainability targets.

Grower Impact: If your operation pumped above its 2025 water budget, expect a notice and a possible invoice after the formal public hearing; growers planning new pistachio or walnut plantings should also factor in Semitropic's continued demand-reduction trajectory when assessing long-term water reliability.

Semitropic Water Storage District March 2026