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**SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION****Senator Steve Padilla****Chair****2025 - 2026 Regular**

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<b>Bill No:</b>	AB 372	<b>Hearing Date:</b>	6/24/2025
<b>Author:</b>	Bennett		
<b>Version:</b>	4/21/2025 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Brian Duke		

**SUBJECT:** Office of Emergency Services: state matching funds: water system infrastructure improvements

**DIGEST:** This bill establishes, contingent on funding being appropriated pursuant to the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Prop. 4) the Rural Water Infrastructure for Wildfire Resilience Program (Program) for the distribution of state matching funds to urban wildland interface communities, in high and very high fire hazard severity zones (FHSZ) to improve water system infrastructure, as specified.

**ANALYSIS:**

Existing law:

- 1) Establishes, within the office of the Governor, the Office of Emergency Services (OES), under the direction of the Director of OES, and charges OES with coordinating various activities within the state.
- 2) Requires OES, contingent upon an appropriation by the Legislature, to enter into a joint powers agreement (JPA) with the Department of Forestry and Fire Protection (CAL FIRE) to develop and administer a comprehensive wildfire mitigation program relating to structure hardening and retrofitting and prescribed fuel modification activities.
- 3) Authorizes the JPA to establish financial assistance limits and matching funding or other recipient contribution requirements for the program, as specified.
- 4) Defines “urban wildland interface community” to mean a community listed in “Communities at Risk from Wild Fires,” produced by CAL FIRE, Fire and Resource Assessment Program, pursuant to the National Fire Plan, federal Fiscal

Year 2001 Department of the Interior and Related Agencies Appropriations AC (Public Law 106-291).

This bill:

- 1) Establishes the Program, within OES, for the distribution of state matching funds to urban wildland interface communities, in high FHSZs or very high FHSZs designated by the State Fire Marshal (SFM) or by a local agency, to improve water system infrastructure, for purposes consistent with the services and improvements to aid in the protection of property from fire, as specified. Improvements described in this bill include, but are not limited to, all of the following:
  - a) Upgrading and upsizing waterlines.
  - b) Installing additional fire hydrants connected to water systems.
  - c) Enhancing water system delivery and distribution capacity.
  - d) Creating interconnections between water systems for the purpose of improving water delivery and distribution capacity.
  - e) Backup power generation.
- 2) Requires OES to work in coordination with the Department of Water Resources (DWR), the State Water Resources Control Board (SWRC Board), the SFM, and other state entities as OES determines to be appropriate, to achieve the purposes of the Program.
- 3) Requires OES to develop criteria and a scoring methodology to prioritize the distribution of state matching funds provided under the Program to rural communities based upon criteria that include, but are not limited to, all of the following:
  - a) Community water systems that maintain 15,000 water service connections or fewer.
  - b) Water infrastructure improvements and projects to aid in fire suppression for properties located near outstanding national resource waters, headwaters, or both, as those terms are used in the federal Clean Water Act, as specified.
  - c) Water infrastructure improvements and projects to aid in fire suppression that are identified in, and consistent with one or more of, the following plans:
    - i) A community wildfire protection plan, a California Fire Safe Council action plan, a National Fire Protection Association's Firewise USA Community Wildfire Risk Assessment, a local hazard mitigation plan, or other local plan that addresses hazards and risks from wildfire.

- ii) A community water system master plan, hydraulic modeling, or professional engineering reports showing the need for and impact of proposed improvements.
- 4) Provides that the operation of this section is contingent upon funding being appropriated by the Legislature to OES pursuant to Prop. 4, approved by the voters on November 5, 2024, statewide general election, for purposes consistent with the Program authorized by this bill.
- 5) Includes related legislative findings and declarations.

## Background

*Author Statement.* According to the author’s office, “California has experienced a growing number of wildfires with ten of the largest twenty fires occurring since 2020. Our water systems were designed to provide safe drinking water, however the prevalence of fires in this state demands us to re-examine how we prepare for fires. The voters of California made clear with their support of Proposition 4 that they want this state to invest in fire suppression and prevention. AB 372 creates the Rural Water Infrastructure for Wildfire Resilience Program so that small water suppliers, many of which serve disadvantaged communities, can invest in upgrading waterlines, installing additional fire hydrants, enhancing water delivery, and backup power generation. These are the types of intelligent, forward-thinking, actions and investments that we need to make in order to reduce loss and save lives.”

*California’s Worsening Wildfire Reality.* The State of California has the main responsibility for wildfire response activities on about one-third of California’s land area. With over 39 million residents, the State of California is the most populous state in the nation and has the third largest land area among the states (163,695 square miles). OES serves as the state’s leadership hub during all major emergencies and disasters. This includes responding, directing, and coordinating state and federal resources and mutual aid assets across all regions to support the diverse communities across the state.

Cal FIRE works to safeguard California through fire prevention and protection, emergency response, and stewardship of natural resource systems. Wildfire response activities help limit the spread of large wildfires and stop them from damaging communities and harming residents. The state also runs programs to reduce the chances that wildfires will start and to limit the damage they cause when they do occur—also known as wildfire prevention and mitigation.

A series of 14 destructive wildfire's tore through the Los Angeles area of Southern California in January, 2025, placing an estimated 330,000 people on an evacuation advisory, with approximately 190,000 individuals facing mandatory evacuation. The fires damaged or destroyed over 18,000 structures and claimed the lives of 30 Californians. According to the report *Whiplash: How Big Swings in Precipitation Fueled the L.A. Fires* published at the Yale School of the Environment, "[i]n 2023 and 2024, the city experienced unusually wet winters, which spurred the growth of grasses and shrubs. Then the rain stopped. Since July, the city has received a mere three-hundredths of an inch of precipitation. The result has been acre after acre of desiccated brush – the perfect kindling for wildfires." The causes of the fires are still under investigation.

In 2021, the Department of Water Resources (DWR) released the *Small Water Systems and Rural Communities Drought and Water Shortage Contingency Planning and Risk Assessment* report. Issued in two parts, the report both identifies the vulnerability of small water systems and rural communities to drought and water shortages (Part II) and offers recommendations for enhancing drought contingency planning in these areas (Part I).

In this report, DWR evaluated the drought and water shortage risks for 2,419 small water suppliers. The findings revealed that 47 out of the state's 58 counties have small water suppliers ranking in the top 10% for water shortage risk (a total of 240 suppliers). Notably, 61% of these high-risk suppliers (149 in total) are located in zones with high or very high fire hazard severity. This indicates that numerous small and rural communities across the state face a significant risk of water depletion during droughts or other disasters, and that communities in high wildfire-risk areas are particularly vulnerable—potentially compromising their ability to manage fires effectively.

The report highlights that water systems serving fewer than 1,000 connections often struggle to maintain water supplies during natural disasters, regardless of their planning efforts, due to their limited economies of scale and the high costs of emergency response measures. Among the recommended resiliency improvements is ensuring that water sources and distribution systems have adequate capacity to meet the increased flow demands required during wildfires.

According to CAL FIRE, water delivery infrastructure does pose a challenge for some of the communities in CAL FIRE service areas, as some hydrant systems cannot support fire operations at the required flow rate and volume. In some cases, using an older hydrant has caused water pipes to collapse, which can cutoff water delivery to that specific neighborhood in the aftermath of an incident.

FHSZs fall into the following classifications: moderate, high, and very high based on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. FHSZ maps evaluate “hazard” based on the physical conditions that create a likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, defensible space, vegetation management, or fuel reduction efforts.

*Fire Hazard Severity Zones.* FHSZs, newly constructed homes must meet heightened fire-resistant building standards. Anyone hoping to sell a home also has to alert would-be-buyers of the elevated danger with a disclosure form. For those in very high FHSZs, the law requires a 100-foot circle around a property free of brush, dead trees, and other flammable materials. New subdivisions also need to be carefully designed with multiple evacuation routes, adequate water supply infrastructure, and built-in-fuel breaks in place.

The Wildland-Urban Interface (WUI) is the transition zone where human development meets wildland vegetation. These are spaces where homes and communities directly border forests, grasslands, or brushlands. According to an article in *CalMatters* titled “The LA County fires devastated homes in the wildland urban interface. Here’s what that is” notes that their analysis revealed that as of 2020, nearly 14 million Californians lived in the sprawling seven million acre zone that makes up California’s WUI areas. According to the article, “[w]hile under three percent of the statewide WUI has been affected by wildfire in the last decade, thousands of homes in the zone have been destroyed.”

*California’s Wildfire Mitigation Program.* AB 38 (Wood, Chapter 391, Statutes of 2019) required OES to enter into a joint powers agreement with CAL FIRE to develop and administer a comprehensive wildfire mitigation program to encourage cost-effective structure hardening and retrofitting and to facilitate vegetation management, as specified. Known as the California Wildfire Mitigation Program (CWMP), this effort encourages cost-effective wildfire resilience measures to create fire-resistant homes, businesses, public buildings, and public spaces. Mitigation measures such as home hardening, vegetation management, defensible space, and other fuel modification activities provide neighborhood and community-wide benefits against wildfire. Existing law authorizes the CWMP to establish financial assistance limits and matching funding or other recipient contribution requirements for the program, as specified.

*Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.* The Bond Act was placed on the 2024 general election ballot as Proposition 4 by SB 867 (Allen, Chapter 83, Statutes of 2024), and was approved by voters with 59.8% of the 15 million votes cast. Prop. 4 authorizes the issuance

of \$10 billion worth of bonds pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs.

Of that \$10 billion, Prop. 4 makes \$135 million available, upon appropriation by the Legislature, to OES for a wildfire mitigation grant program to provide, among other things: loans, direct assistance, and matching funds for projects that: prevent wildfires, increase resilience, maintain existing wildfire risk reduction projects, reduce the risk of wildfires to communities, or increase home or community hardening.

Further, Prop. 4 provides that eligible projects for funding pursuant to the \$135 million allocated to OES include, but are not limited to, grants to local agencies, state agencies, JPAs, tribes, resource conservation districts, fire safe councils, and nonprofit organizations for structure hardening of critical community infrastructure, wildfire smoke mitigation, evacuation centers (including community clean air centers), structure hardening projects that reduce risk of wildfire for entire neighborhoods and communities, water delivery system improvements for fire suppression purposes for communities in very high or high fire hazard areas, wildfire buffers, and incentives to remove structures that significantly increase hazard risk.

*Rural Water Infrastructure for Wildfire Resilience Program.* This bill establishes the Program to provide state matching funds for critical water infrastructure improvements in urban wildland interface communities located in high and very high FHSZs. Under the Program, funding may be used for improvements such as upgrading water lines, installing fire hydrants, increasing water delivery capacity, and adding backup power systems. To prioritize limited funds, this bill requires OES to develop criteria based on factors such as small system size, proximity to critical water sources, and alignment with existing wildfire protection or water system plans. The Program is contingent upon funding appropriated by the Legislature pursuant to Prop. 4, approved by the voters in November of 2024.

*Back to the Future.* This bill is substantially similar to SB 1088 (Alvarado-Gil, 2024) which would have established a rural and Small Community Fire Resilience Program for the distribution of state matching funds to communities within the WUI to improve water system infrastructure. That bill was held in the Assembly Appropriations Committee Suspense File.

**Prior/Related Legislation**

SB 90 (Seyarto, 2025) explicitly specifies certain projects eligible for wildfire mitigation grant program funding from Prop. 4, as specified. (Held in the Senate Appropriations Committee Suspense File)

AB 307 (Petrie-Norris, 2025) would have required \$10 million of the \$25 million made available by Prop. 4 for CAL FIRE to be allocated for purposes of the ALERTCalifornia fire camera mapping system. (Never heard in the Assembly Natural Resources Committee)

SB 867 (Allen, Chapter 83, Statutes of 2024) authorized placing Prop. 4 on the 2024 general election ballot, as specified.

SB 1088 (Alvarado-Gil, 2024) would have, contingent upon funding appropriated pursuant to a future bond act, establishes the Rural and Small Community Fire Resilience Program, within OES, for the distribution of state matching funds to communities within the WUI to improve water system infrastructure, as specified. (Held in Assembly Appropriations Committee)

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

**SUPPORT:**

Tahoe Water For Fire Suppression Partnership (Source)

Association of California Water Agencies

California Association of Environmental Health Administrators

California State Association of Counties

California Water Association

CDP Rural Caucus

El Dorado Irrigation District

Elsinore Valley Municipal Water District

League of California Cities

North Tahoe Public Utility District

Northern California Youth Policy Coalition

Placer County Water Agency

Rural County Representatives of California

Sierra Business Council

South Tahoe Public Utility District

Tahoe City Public Utility District

Upper San Gabriel Valley Municipal Water District

**OPPOSITION:**

None received

**ARGUMENTS IN SUPPORT:** In support of the bill, the Tahoe Water For Fire Suppression Partnership write that, “[t]his bill will develop a program for the distribution of state matching funds to WUI communities located in designated “High” and “Very High” Fire Hazard Severity Zones 9as classified by the State Fire Marshal), to improve and upgrade rural water systems infrastructure and accelerate the installation of resilient water infrastructure to address community wildfire suppression needs.”

**DUAL-REFERRAL:** Senate Committee on Governmental Organization and Senate Committee on Natural Resources and Water