
SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Monique Limón, Chair
2025 - 2026 Regular

Bill No:	AB 372	Hearing Date:	July 16, 2025
Author:	Bennett		
Version:	April 21, 2025 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Genevieve Wong		

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

SUMMARY

This bill would establish the Rural Water Infrastructure for Wildfire Resilience Program in the Governor's Office of Emergency Services (Cal OES) for the distribution of state matching funds to urban wildland interface communities.

BACKGROUND AND EXISTING LAW

Wildfire in California. Catastrophic and devastating wildfires have occurred repeatedly in the state in recent years. Thirteen of the 20 largest and 15 of the 20 most destructive wildland fires in state history have occurred since 2015. The 2020 August Complex Fire in northern California – the largest fire in California's modern history – burned over one million acres, and the 2021 Dixie Fire was almost one million acres. Two wildland fires in recent years burned over the crest of the Sierras, which had not been previously observed. In the last several years, tens of thousands of structures – mostly homes – have been destroyed from wildland fire, insured losses incurred are in the billions of dollars, prime habitat has been destroyed or damaged, and, tragically, hundreds of lives have been lost. Most recently, the Palisades and Eaton Fires in Los Angeles in January resulted in the loss of approximately 17,250 structures and 30 deaths.

Small water suppliers and rural communities. Pursuant to AB 1668 (Friedman, Chapter 15, Statutes of 2018), the Department of Water Resources (DWR) issued *Small Water Systems and Rural Communities Drought and Water Shortage Contingency Planning and Risk Assessment* in 2021. This report, released in two parts, identified small water systems and rural communities at risk of drought and water shortage vulnerability (Part II) and made recommendations for improving drought contingency planning for those areas (Part I).

DWR examined the relative risk of drought and water shortage for 2,419 small water suppliers in the report. The results show that a vast majority of the state's counties (47 of the 58 counties) have small water suppliers in the top 10 percent of risk scores (240 suppliers) for water shortage. Of those in the top 10 percent, over half (61 percent or 149 suppliers) are located in high or very high fire hazard severity zones. In other words, there are many small and rural communities across the state that are at high risk of running out of water during a drought or other disaster. Also, many communities located in areas with a high risk for wildfire are at high risk of water shortage, which could impact their capacity to suppress fires when they occur.

The report recommended that the state support small community water systems to install additional infrastructure to improve drought and water shortage preparedness and response. The report noted that most water systems under 1,000 connections have difficulty ensuring water supplies during natural disaster events, regardless of the development of planning materials, due to their inherent lack of economies of scale to finance needed infrastructure improvements and the high cost of emergency response activities. The minimum infrastructure resiliency measures to help ensure sustainable water supplies include, among others, having source and distribution system capacity to meet wildfire flow requirements.

In 2021, the University of California (UC) Division of Agriculture and Natural Resources and the UC Los Angeles, Luskin Center for Innovation released *Wildfire & Water Supply in California: Advancing a Research & Policy Agenda*, which noted the following on this issue:

“Wildfires bring new challenges to water system planners. The challenges include protecting infrastructure, treating increased contamination loads post-fire, cleaning water reservoirs, rebuilding destroyed infrastructure, and maintaining power and water access during a fire to, among other things, provide critical support to fire fighters... Wildfire is one of several climate threats that water utility planners are expected to account for, and the approximately 2,800 community water systems in the state have vastly different planning and operational capacities. Wildfire may threaten the processes to secure, store, treat, and deliver reliable water supplies to first responders and communities. The scale of the problem is evident in a recent Department of Water Resources estimate that “over half of the top at-risk [water] suppliers are in high or very high-risk zones for wildfire, as defined by [Department of Forestry and Fire Protection]” (2020 Water Resilience Portfolio). This is a water equity issue that leaves (often already vulnerable) communities to deal with compounding disasters.”

Further, this report notes that policy does not support water suppliers’ direct and indirect financing of firefighting activities, although it often represents an outsized portion of water supplier budgets. The paper recommends, among other things, further investing in targeted support for water systems’ continuous service in wildfire events.

Prepare California Initiative. Cal OES administers this initiative, which provides funding to build community resilience in areas most susceptible to natural disasters. It seeks to reduce long-term risks from natural disasters, such as flooding, earthquakes, wildfires, landslides, extreme heat, and drought, by investing in local capacity building and mitigation projects designed to protect communities. The initiative offers matching funding for the non-federal cost share for the federal Building Resilient Infrastructure and Communities program. This includes funding actions to reduce or eliminate long-term risk to life and property from natural hazards and their effects, such as retrofits of buildings or structures to protect them from a hazard or removal of structures from a hazard area.

The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4). The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (SB 867 (Allen, Chapter 83, Statutes of 2024)) (Act) authorized a \$10 billion bond to be placed before the state’s

voters for approval. The Act became Proposition 4 on the November 5, 2024 statewide ballot and passed with a vote of 9,055,116 to 6,086,414 (59.8% to 40.2%).

Proposition 4, upon appropriation by the Legislature, provides \$3.8 billion for safe drinking water, drought, flood, and water resilience programs; \$1.5 billion for wildfire and forest resilience programs; \$1.2 billion for coastal resilience programs; \$450 million for extreme heat mitigation programs; \$1.2 billion for biodiversity protection and nature-based climate solution programs; \$300 million for climate-smart, sustainable, and resilient farms, ranches, and working lands programs; \$700 million for park creation and outdoor access programs; and \$850 million for clean energy programs.

Of these funds, Proposition 4 allocates \$135,000,000 to Cal OES for a wildfire mitigation grant program to provide loans, rebates, 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. Eligible projects include, but are not limited to, grants for structural hardening of critical community infrastructure, wildfire smoke mitigation, evacuation centers, structure hardening projects that reduce the risk of wildfire for entire neighborhoods and communities, water delivery system improvements for fire suppression purposes for community in very high or high fire hazard areas, wildfire buffers, and incentives to remove structures that significantly increase hazard risk.

Existing law:

- 1) Establishes Cal OES within the Governor's Office under the supervision of the OES director. (Government Code (GOV) §8585)
 - a) Cal OES is responsible for the state's emergency and disaster response services for natural, technological, or man-made disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. (GOV §8585)
- 2) Establishes DWR in the California Natural Resources Agency (CNRA) under the control of the DWR director. (Water Code §120)
 - a) DWR is responsible for the State Water Project, as well as drought planning, statewide water resources planning, dam safety, flood planning and management, overseeing sustainable groundwater management, and water use efficiency. (Various Water Code sections)
- 3) Establishes the Department of Forestry and Fire Protection (CAL FIRE) in CNRA under the control of the CAL FIRE director. (Public Resources Code (PRC) §701)
 - a) CAL FIRE is responsible for the fire protection, fire prevention, maintenance, and enhancement of the state's forest, range, and brushland resources, contract fire protection, associated emergency services, and assistance in civil disasters and other nonfire emergencies. (PRC §713)

- 4) Directs a city or county, upon the next revision of the housing element of a general plan on or after January 1, 2014, to include a set of feasible implementation measures designed to carry out specified goals, policies, and objectives, including designing adequate infrastructure if a new development is located in a state responsibility area or in a very high fire hazard severity zone, including water supplies for structural fire suppression. (GOV §65302)

PROPOSED LAW

This bill would:

- 1) Establish the Rural Water Infrastructure for Wildfire Resilience Program within Cal OES for the distribution of state matching funds to urban wildland interface communities in high fire hazard severity zones or very high fire hazard severity zones designated by the State Fire Marshal (SFM) or by a local agency to improve water system infrastructure, as provided.
- 2) Require Cal OES to work in coordination with DWR, State Water Board, SFM, and other state entities as Cal OES determines to be appropriate, to achieve the purposes of the program.
- 3) Require Cal 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 such as:
 - 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; and
 - c) Water infrastructure improvements and projects to aid in fire suppression that are identified in, and consistent with:
 - 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 the hazards and risks from fire.
 - ii) A community water system master plan, hydraulic modeling, or professional engineering reports showing the need for and impact of proposed improvements.
- 4) Make the operation of this bill contingent upon funding being appropriated by the Legislature to Cal OES pursuant to Proposition 4 for purposes consistent with the Program.

ARGUMENTS IN SUPPORT

According to the author, "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.”

ARGUMENTS IN OPPOSITION

None received

COMMENTS

This bill is double referred. This bill has been referred to both the Senate Committee on Governmental Organization and this Committee for hearing. This Committee is the second Committee of referral. This bill was heard in the Senate Committee on Governmental Organization on June 24, 2025, and passed out with a vote of 15 - 0. Elements of this bill under the jurisdiction of the Senate Committee on Government Organization are included here for completeness and context only.

Need for the bill. This bill seeks to address a growing recognition that aging and outdated municipal water infrastructure in rural communities at risk of catastrophic wildfire is incapable of providing the required water flowrates, water storage capacities, and fire hydrant coverage to meet modern firefighting standards. Further, the infrastructure investments required to upgrade these rural water systems are beyond what can be financed through local ratepayer revenue alone due to the rural, low-density nature of these communities. While there are state programs to fund water infrastructure at DWR and wildfire prevention and response at CAL FIRE, there are no programs that are specifically designed to ensure water infrastructure can meet wildfire response needs.

This bill would create a program at Cal OES to do so. Specifically, the program would fund upgrading and upsizing waterlines, installing additional fire hydrants of water systems, enhancing water system delivery and distribution capacity, and backup power generation.

Looks familiar. Last year, this Committee passed SB 1088 (Alvarado-Gil) which is very similar to this bill. SB 1088 was held in the Assembly Appropriations Committee on the suspense file.

The three main differences between this bill and SB 1088 is that this bill:

- Specifically lists backup power generation as an improvement eligible for funding under the program;
- Adds water infrastructure improvements and projects to aid in fire suppression for properties near certain national resource waters or headwaters as a specific priority criteria for funding; and

- Specifically makes the operation of the program contingent on Proposition 4 moneys.

The Senate Natural Resources and Water Committee analysis for SB 1088 had suggested that the author consider integrating the proposed program into the Prepare California Initiative. The author of this bill may also wish to consider that same suggestion.

Related legislation

SB 90 (Seyarto) of the current legislative session would have explicitly specified certain projects eligible for wildfire mitigation grant program funding from Proposition 4, as specified. This bill was held in the Senate Appropriations Committee on the suspense file.

SB 746 (Alvarado-Gil) of the current legislative session would have codified the Urban Water Community Drought Relief program and the Small Community Drought Relief program at the Department of Water Resources (DWR). Further, this bill would authorize these programs, upon appropriation, to fund projects that provide benefits in addition to drought relief, including projects that reduce the risk of wildfires for communities through water delivery system improvements for fire suppression purposes in high- and very high-fire hazard severity zones, among other things. This bill was held in the Senate Appropriations Committee on the suspense file.

AB 367 (Bennett) of the current legislative session would require water suppliers in high or very high fire hazard severity zones in Ventura County, the Ventura County Fire Department, and Ventura County Office of Emergency Services to take certain actions that would help ensure effective fire response and ensure adequate water availability to aid in fire suppression. This bill is pending before the Senate Local Government Committee.

SB 867 (Allen, Chapter 83, Statutes of 2024) authorized placing Proposition 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 Cal OES, for the distribution of state matching funds to communities within the WUI to improve water system infrastructure, as specified. This bill was held in Assembly Appropriations Committee.

SB 470 (Alvarado-Gil, 2023) would have authorized certain programs at DWR, upon appropriation, to fund projects that provide benefits in addition to drought relief, including projects that reduce the risk of wildfires for communities through water delivery system improvements for fire suppression purposes in high- and very high-fire hazard severity zones, among other things. This bill was vetoed by the Governor.

SUPPORT

Tahoe Water for Fire Suppression Partnership (sponsor)
Association of California Water Agencies (ACWA)
California Association of Environmental Health Administrators (CAEHA)
California Catholic Conference

California State Association of Counties (CSAC)
California Water Association
California Democratic Party 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 (RCRC)
Sierra Business Council
South Tahoe Public Utility District
Tahoe City Public Utility District
Upper San Gabriel Valley Municipal Water District

OPPOSITION

None Received

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