
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 372 (Bennett) - Office of Emergency Services: state matching funds: water system infrastructure improvements

Version: April 21, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: G.O. 15 - 0, N.R. & W. 7 - 0

Mandate: No

Consultant: Janelle Miyashiro

Bill Summary: AB 372 establishes, contingent upon funding appropriated pursuant to the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4), a Rural Water Infrastructure for Wildfire Resilience Program in the Office of Emergency Services (OES). AB 372 specifies the purpose of the program is for the distribution of state matching funds to wildland-urban interface (WUI) communities in high or very high fire hazard severity zones (FHSZs) to improve water system infrastructure to aid in the protection of property from fire.

Fiscal Impact:

- OES reports annual ongoing costs of approximately \$703,000 for two additional staff to support the proposed program (Proposition 4 bond funds, General Fund, or other funds). Proposition 4 allows up to 7 percent of funding appropriated to be spent on administration over the lifetime of funds appropriated for each program. OES notes it would require the full 7 percent of funding to develop and implement the program, as well as provide technical assistance and monitor the grants awarded. To the extent program administration exceeds the allowed 7 percent threshold, there may be additional General Fund cost pressures to support operation of the program.
- Unknown likely significant Proposition 4 bond funds cost pressures, ranging in the tens of millions of dollars, to fund the proposed Rural Water Infrastructure for Wildfire Resilience Program.

Background: 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, 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 the \$1.5 billion for wildfire prevention, including reducing community wildfire risk and restoring the health and resilience of forests and landscapes, the Act made \$135 million available to OES. OES, in coordination with the Department of Forestry and Fire Protection (CAL FIRE), is required to administer this grant program for projects that prevent wildfires, increase resilience, maintain existing wildfire risk reduction projects,

reduce the risk of wildfire to communities, or increase home or community hardening. The grant program will provide loans, direct assistance, and matching funds for eligible projects.

Eligible projects include, but are not limited to, grants to local agencies, state agencies, joint powers authorities, 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 the 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.

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%).

Proposed Law:

- Establishes a Rural Water Infrastructure for Wildfire Resilience Program within OES for the distribution of state matching funds to WUI communities in high or very high FHSZs to improve water system infrastructure consistent with the services and improvements to aid in the protection of property from fire. Eligible improvement projects include, but are not limited to, all of the following:
 - Upgrading and upsizing waterlines.
 - Installing additional fire hydrants connected to water systems.
 - Enhancing water system delivery and distribution capacity.
 - Creating interconnections between water systems for the purpose of improving water delivery and distribution capacity.
 - Backup power generation.
- Requires OES to work with the Department of Water Resources, the State Water Resources Control Board, and the Office of the State Fire Marshal, and other state entities.
- Requires OES to develop criteria and a scoring methodology to prioritize the distribution of state matching funds provided under the program. Criteria include, but are not limited to, all of the following:
 - Community water systems that maintain 15,000 water service connections or fewer.
 - Water infrastructure improvements and projects to aid in fire suppression for properties located near outstanding national resource waters, headwaters, or both.

- Water infrastructure improvements and projects to aid in fire suppression that are identified in, and consistent with one or more of, the following plans:
 - 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 wildfire.
 - A community water system master plan, hydraulic modeling, or professional engineering reports showing the need for and impact of proposed improvements.
- Provides that operation of the program is contingent upon funding appropriated by the Legislature to OES pursuant to Proposition 4 bond funds.
- States legislative findings and declarations.

Related Legislation: SB 90 (Seyarto, 2025) would have explicitly specified certain projects eligible for wildfire mitigation grant program funding from Proposition 4. SB 90 was held on the Suspense File in this committee.

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