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# SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Josh Becker, Chair

2025 - 2026 Regular

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**Bill No:** SB 1085 **Hearing Date:** March 24, 2026  
**Author:** Durazo  
**Version:** February 13, 2026 Introduced  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Genevieve Wong

**Subject:** Water supply planning: California Environmental Quality Act determination

## SUMMARY

This bill would reinstate a requirement that cities and counties that approve certain large development projects comply with specified water supply planning requirements.

## BACKGROUND AND EXISTING LAW

**“Show me the water” bills.** In response to local land use decisions adversely affecting local water supply agencies, the Legislature enacted SB 610 (Costa, Chapter 643, Statutes of 2001) and SB 221 (Kuehl, Chapter 643, Statutes of 2001). Often referred to as the “show-me-the-water” bills, together these two bills formally linked land use planning with water use planning, and vice versa.

These water supply planning requirements only apply to certain large scale developments and not all “projects” under the California Environmental Quality Act (CEQA) are considered to be “projects” for purposes of these water supply planning requirements. Specially, the water supply requirements apply to the following:

- A residential development of 500 or more units, or a project that would demand an equivalent amount of water as a 500 unit residential development. This also includes a hotel or motel with more than 500 rooms.
- A shopping center or business establishment that employs more than 1,000 people or has more than 500,000 square feet of floor space.
- A commercial office building employing more than 1,000 people or has more than 250,000 square feet of floor space.
- An industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area.
- A mixed-use project that includes any of the above described projects.
- A proposed development that would account for an increase of 10 percent or more of the number of public water system’s existing service connections if the public water system that would serve the project has fewer than 5,000 service connections.

Today, under these water supply planning requirements, when a city or county determines that one of these larger developments is subject to CEQA, and would require either an environmental impact report (EIR), negative declaration (ND), or mitigated ND, the city or county is required to identify a water system who could serve the site and any water system adjacent to the project site that is a public water system that could supply water for the development. If the city or county is not able to identify such public water systems, the city or county is required to prepare a water assessment.

**CEQA.** CEQA provides a process for evaluating the environmental effects of a project and includes statutory exemptions, as well as categorical exemptions, in the CEQA guidelines. If a project is not exempt from CEQA, an initial study is prepared to determine whether a project may have a significant effect on the environment. If the initial study shows that there would not be a significant environmental effects, the lead agency prepares an ND. If the initial study shows that the project may have significant environmental effects, the lead agency must prepare an EIR.

**Legislative efforts to streamline permitting of development.** Over the past several years, the Legislature has enacted various CEQA exemptions and ministerial approvals to “speed up” the permitting process of various types of development projects that meet specified requirements, including CEQA exemptions and ministerial approvals for housing, commercial, and industrial developments.

Most recently, the Legislature enacted SB 131 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2025) and AB 130 (Committee on Budget, Chapter 22, Statutes of 2025). SB 131, a Public Resources Budget Trailer Bill for the 2025-26 budget, among other things, exempted from CEQA agricultural employee housing projects; projects that consist exclusively of a day care center, rural health clinic, nonprofit food bank or food pantry, or facility for advanced manufacturing; and heavy maintenance facilities or other maintenance facility for electrically powered high-speed rail, as provided. SB 131 also established a process to review housing development projects that meet all but one eligibility criteria for specified CEQA exemptions (often referred to as a “near-miss”), with specified exemptions. AB 130, a Housing Budget Trailer Bill for the 2025-26 budget, among other things, exempted from CEQA certain housing development projects that are not more than 20 acres, are consistent with the applicable general plan and zoning ordinance, as well as any applicable local coastal program, as specified, and meet other criteria.

**Existing law:**

- 1) Under water supply planning requirements:
  - a) Requires any city or county that determines a project, as defined below, is subject to CEQA to comply with certain requirements relating to water supply planning. (Water Code (WAT) §§10910 et. seq).
  - b) Defines, for purposes of water supply planning, a “project” as any of the following:
    - i) A proposed residential development of more than 500 dwelling units.

- ii) A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space.
  - iii) A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space.
  - iv) A proposed hotel or motel, or both, having more than 500 rooms.
  - v) A proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area.
  - vi) A mixed-use project that includes one or more of the above-described projects.
  - vii) A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.
  - viii) If a public water system has fewer than 5,000 service connections, a proposed residential, business, commercial, hotel or motel, or industrial development that would increase the number of the public water system's existing service connections by 10 percent or more, or a mixed-use project that would demand any amount of water equivalent to, or greater than, the amount of water required by residential development that would represent an increase of 10 percent or more in the public water system's existing service connections. (WAT §10913).
- c) Requires the city or county, at the time it determines whether an EIR, ND, or mitigated ND is required, to identify any water system whose service area includes the project site and any water system adjacent to the project that is, or may become as a result of supplying water to the project identified, a public water system, that may supply water for the project. If the city or county is not able to identify a public water system, the city or county is required to prepare a water assessment, as specified. (WAT §10910(b)).
- 2) Under CEQA, requires lead agencies with the principal responsibility for carrying out or approving a proposed discretionary project to prepare an ND, mitigated ND, or EIR for this action, unless the project is exempt from CEQA (CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA guidelines). (Public Resources Code §§21000 et seq.)

## PROPOSED LAW

This bill would:

- 1) Require a city or county that approves a project to comply with the above-described water planning supply requirements.
- 2) Require a city or county, instead of identifying any water system whose service area includes the project site, and any water system adjacent to the project site that is a public water system that may supply water for the project when it determines the

appropriate environmental review document, to make that determination at the time it determines whether CEQA applies.

- 3) Require, if the city or county is not able to identify any public water system for the project, that the city or county prepare a water assessment.

**ARGUMENTS IN SUPPORT**

According to the author, “SB 1085 restores an important safeguard on water availability for large new developments that was inadvertently circumvented through recent legislation. For more than two decades, state law has required water supply assessments (WSAs) for certain large development projects to improve the link between land use planning and water supply planning. State law requires a city or county, upon determining that a project is subject to CEQA, to request a WSA from a water supplier if a project meets certain requirements, including that the project be more than 500 residential units or a non-residential project that demands a similar or greater amount of water. The WSA must identify whether the project was accounted for in the water agency’s planning, and if not, whether the water agency will have sufficient water supplies to serve the project in addition to any other existing and planned uses over a 20-year time frame.

In recent years, because of the focus on removing impediments to building housing, there have been a growing number of bills that streamline housing development by eliminating CEQA analysis, as well as legislation that establishes statutory CEQA exemptions for certain types of affordable and infill housing. These efforts have meant that a WSA is no longer required for projects that still meet the large development criteria. Without a WSA, cities and counties reviewing projects may not have sufficient understanding of the water requirements for projects that have the potential for large impacts on water resources.”

**ARGUMENTS IN OPPOSITION**

According to the California Building Industry Association, “while CBIA supports responsible water supply planning, SB 1085 would directly undermine the landmark CEQA reforms the Legislature enacted less than a year ago in AB 130 and SB 131, creating new litigation pathways against housing projects the Legislature specifically sought to protect, and introduce timeline conflicts that make compliance with the state’s streamlined housing approval laws effectively impossible.

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“[AB 130 and SB 131] were designed to get housing approved and built faster by removing unnecessary procedural barriers. SB 1085 would re-attach one of those barriers.”

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CBIA argues that requiring a WSA even when a CEQA exemption applies will lead to “challenge[s] to the exemption determination itself, arguing it was invalid because the required WSA was missing or inadequate. This effectively turns the WSA into a standalone litigation weapon against projects ... .

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“Even if the lawsuit is ultimately dismissed, the developer faces potentially years of litigation delays. As time elapses, financing terms could expire, construction costs could rise, and the ...homes that the Legislature’s streamlining framework was supposed to deliver are delayed or never built.

“We want to ensure that the legislation does not create new litigation risks, retains the existing legal frameworks for WSAs, does not undermine CEQA exemptions recently approved by the Legislature, and synchronizes the timeframes of WSAs and exempt or streamlined projects. To that end, we would welcome the opportunity to work with the author and the sponsors on amendments that resolve these conflicts.”

## COMMENTS

**Double referral.** This bill is double referred with the Senate Local Government Committee, with this committee being the committee of first referral. Elements of this bill under the jurisdiction of the Senate Local Government Committee are included here for context and completeness only and will be discussed before that Committee.

**Purposeful change or unintended side effect?** Under existing law, the requirement for a city or county to identify a water system that could serve a proposed large development project is triggered when the city or county determines which environmental review document would be appropriate. However, with the enactment of SB 131 and AB 130, many projects that were previously subject to CEQA, such as advanced manufacturing facilities, maintenance facilities for electrically powered high-speed rail, or certain larger housing development projects, are now exempt. Because a city or county is no longer required to determine the appropriate environmental review document for these projects, it does not activate the requirement to identify the water systems that may supply water for the project.

An argument could be made that by creating the various CEQA exemptions and eliminating various “unnecessary procedural barriers” to certain development projects, the Legislature also intended to eliminate the water supply planning requirements. It is unclear whether this is what the Legislature truly intended as AB 130 and SB 131 were enacted as “budget trailer bills.” Senate and Assembly floor analyses and Senate Floor discussions of AB 130 and SB 131 on June 30, 2025, do not include reference to water supply assessments and the water supply planning requirements. On the other hand, an argument could also be made that when enacting the CEQA exemptions, the Legislature was unaware that CEQA also acted as a trigger for water supply planning requirements.

The removal of this planning tool may leave cities and counties without critical information about the potential water demands of a proposed large development project and whether a water system is able to meet those needs.

**Are WSAs duplicative of other water supply planning tools?** One may argue that the needed information can be found in an Urban Water Management Plan (UWMP) or that a city or county is required to receive a written Water Supply Verification (WSV)

from the applicable public water system that a “sufficient water supply” is available before a final subdivision map can be approved.

UWMPs, which are prepared by urban water suppliers, are plans intended to project water supply and demand over a period of 20 years and are required to be updated every 5 years. Each plan includes a description of how much water the agency has on a reliable basis, how much its needs for the foreseeable future, what the agency’s strategy is for meeting its water needs, the challenges facing the agency, and any other information necessary to provide a general understanding of the agency’s plan. However, a UWMP might not have contemplated a large development project in its latest update.

Written WSVs are required pursuant to the Subdivision Map Act and thus the written WSV requirement only applies when there are subdivisions involved. Therefore, a written WSV would not be required for a residential development of rental units, an advanced manufacturing facility development, a maintenance facility, or commercial facility, as none of these developments involve creating subdivisions.

While there may be some instances where the information otherwise provided by a WSA could be covered by a UWMP or a written WSV, there may also be instances where a project has neither. This bill would help capture those projects.

***If not now, when?*** As stated in the opposition’s letter, “SB 1085 changes the trigger” and “requires a WSA whenever a city or county makes a determination about a project under [PRC §] 21080.1 – including a determination that the project is exempt from CEQA. In practical terms, any project meeting the size thresholds in Water Code [§]10912 (generally 500 or more residential units, or equivalent commercial demand) would need a WSA regardless of its CEQA status.”

Typically, WSAs can help identify water supply issues early in the process and start conversations on how to address them. Regardless of the type of development involved, and whether CEQA applies, a project developer is going to have to figure out its water supply source and a water system may have to figure out if additional capacity is going to be needed to address that increased demand. If a WSA is not required, will these conversations take place early enough in the planning process to help avoid water supply-related surprises? This was the purpose of the “show me the water” bills – to connect land use planning with water use planning.

***More than housing.*** A majority of the arguments raised in opposition are centered around the bill’s impact on housing production. However, this bill extends beyond housing. This bill also reinstates the water supply requirements for large-scale commercial or industrial development, which have the potential to use significant amounts of water.

**Work in progress.** Opponents raise various concerns, some of which also involve local planning processes and are outside of this committee's jurisdiction and some which may require continued conversations with committees of various jurisdictions. These concerns include, among others:

- New litigation pathway against local jurisdictions where a party may challenge the adequacy of the WSA.
- A challenged WSA's interaction with SB 131's "near-miss" provisions.
- WSA timelines are inconsistent with streamlined approval timelines.

Should this bill pass out of this committee, some of these issues may be addressed by the Senate Local Government Committee. Other issues may require additional time and conversations to reach a solution. The committee may wish to require the author to continue to work with committee staff on any issues that may impact this committee's jurisdiction.

***Prior, related legislation***

AB 130 (Committee on Budget, Chapter 22, Statutes of 2025), among other things, exempted from CEQA certain housing development projects that are not more than 20 acres, are consistent with the applicable general plan and zoning ordinance, as well as any applicable local coastal program, as specified, and meet other criteria.

SB 131 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2025), among other things, exempted from CEQA agricultural employee housing projects; projects that consist exclusively of a day care center, rural health clinic, nonprofit food bank or food pantry, or facility for advanced manufacturing; and heavy maintenance facilities or other maintenance facility for electrically powered high-speed rail, as provided.

SB 1262 (Pavley, Chapter 594, Statutes of 2016) requires a city or county that determines a project is subject to CEQA to identify any water system whose service area includes the project site and any water system adjacent to the project site.

SB 221 (Kuehl, Chapter 642, Statutes of 2001) prohibits the approval of a tentative map, or a parcel map for which a tentative map was not required, or a development agreement for a subdivision of property of more than 500 dwelling units unless the legislative body of the city or county provides written verification from the applicable public water system that a sufficient water supply is available or will be available before completion of the project.

SB 610 (Costa, Chapter 643, Statutes of 2001) requires a city or county that determines a project is subject to CEQA to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment. If the city or county is not able to identify a public water system, the city or county is required to prepare a water supply assessment.

**SUGGESTED AMENDMENTS: none**

**SUPPORT**

East Bay Municipal Utilities District (sponsor)  
Association of California Water Agencies  
California Coastkeeper Alliance  
California Municipal Utilities Association  
Irvine Ranch Water District  
Las Virgenes Municipal Water District  
Mono Lake Committee  
Rancho California Water District  
Unite Here International Union, AFL-CIO  
Western Municipal Water District

**OPPOSITION**

California Building Industry Association

**-- END --**