Date of Hearing: June 16, 2026

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE
Diane Papan, Chair
SB 1085 (Durazo) – As Amended April 23, 2026

SENATE VOTE: 35-1

SUBJECT: Water supply planning: housing developments

SUMMARY: Restores the requirement that cities and counties approving certain projects identify a water system that would supply water for that project and require the completion of a water supply assessment (WSA). Specifically, **this bill**:

1) Requires a city or county to identify a water system that will serve a project (as defined in Existing Law #3) and requires that water system to prepare a WSA, or if a water system cannot be identified to serve a project, requires the city or county to prepare a WSA once one of the following occurs:

    a) An applicant submits to the city or county a preliminary application for a housing development project that meets certain conditions, including that the project not be larger than 20 acres; or

    b) The county or city determines that a development project application is completed and does not meet the conditions of (a).

2) Requires the city or county, within 15 days of the application, to request the public water system to determine if the water demand of the project was included in the most recent urban water management plan (UWMP).

3) Develops an expedited timeline of 45 days for the completion of WSAs for projects that meet the condition of #1a, above, or other affordable housing projects. Further, allows the city or county to seek a writ of mandamus to compel the public water system to submit the WSA if they fail to do so.

4) Determines that the WSA is an informational document and not a final agency action.

5) States that this statute shall not be construed to subject a project to either of the following:

    a) Discretionary review by a city or county if the project is required to be permitted ministerially; or

    b) The requirements of the California Environmental Quality Act (CEQA) if the project is otherwise exempt.

6) States that no reimbursement is required by this bill pursuant to the Constitution.

7) Makes other conforming changes.

EXISTING LAW:

1) Requires any city or county with a project as defined in #3, that is subject to CEQA to identify any water system whose service area includes, or is adjacent to, the project that may provide water supply for the project at the time the city or county is developing an environmental impact report (EIR), negative declaration (ND), or mitigated ND under CEQA (Water Code § 10910). Further,

    a) Requires a city or county, when determining whether an EIR, ND, or mitigated ND is needed for a project, to request each public water system to determine whether the projected water demand associated with the proposed project was included as a part of the most recently adopted UWMP.

        i) Allows, that if the water demand was accounted for in the UWMP, the public water system to incorporate the UWMP into the WSA.

        ii) Requires, that if the water demand was not accounted for in the UWMP or there is no UWMP, the WSA to include a discussion of whether there is sufficient water supply available considering current and projected water demand for the next 20 years.

    b) Requires, that if a public water system cannot be identified, the city or county shall prepare the WSA.

2) Requires a WSA to include identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project, and, if a public water system is preparing the WSA, a description of the quantities of water received in prior years [Water Code § 10910 (d)].

3) Defines a "project" to mean any of the following [Water Code § 10912 (a) and (b)]:

    a) A proposed residential development of more than 500 dwelling units;

    b) A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space;

    c) A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space;

    d) A proposed hotel or motel, or both, having more than 500 rooms;

    e) 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;

    f) A mixed-use project that includes one or more of the projects specified in this subdivision;

    g) 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; or

h) A project that would account for an increase of 10% or more of a public waters system connections, if that public waters system has fewer than 5,000 service connections.

4) Establishes the Urban Water Management Planning Act that, among other things, requires an urban water supplier to prepare and adopt an urban water management plan, which includes a description of how much water the supplier has on a reliable basis, how much it 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. Requires a urban water management plan to be updated at least once every five years (Water Code § 10610 *et seq.*).

5) 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 (Public Resources Code § 21000 *et seq*.)

6) Makes certain housing development projects that meet specified requirements a use by right (Government Code § 65913.4 and § 65912.110 *et seq*.).

FISCAL EFFECT: Unknown. This bill is keyed fiscal.

COMMENTS:

1) **Purpose of this bill**. According to the author, "[This bill] restores an important, long-standing safeguard on water availability for large new developments that was inadvertently circumvented through recent legislation. For more than two decades, state law has required [WSAs] for certain large development projects to strengthen the link between land use planning and water supply planning. These assessments ensure that local governments have a clear, forward-looking understanding of whether sufficient water supplies exist to serve new development alongside existing and planned uses over a 20-year horizon.

   Because WSAs have been a consistent part of California's planning framework, communities have largely been able to rely on the expectation that growth would be supported by real, available water supplies. That was not always the case. Prior to these requirements, reliance on "paper water" contributed to serious consequences in some regions, particularly in the Central Valley, where communities experienced water shortages so severe that residents had to rely on bottled water for basic needs.

   In recent years, the Legislature has appropriately focused on removing barriers to housing development, including through CEQA streamlining and exemptions. However, because WSAs are currently triggered by CEQA, these changes have had the unintended effect of removing this key planning tool for projects that still meet large development thresholds. Without a WSA, cities and counties may lack critical information about water demand and long-term supply reliability.

   At a time when climate change is increasing pressure on California's water systems, [this bill] ensures that this proven planning tool remains in place to support informed decision-making and sustainable growth."

2) **Background**. California's efforts to better align development decisions with available water resources stem largely from two statutes enacted 25 years ago: SB 610 (Costa, Chapter 643, Statutes of 2001) and SB 221 (Kuehl, Chapter 642, Statutes of 2001). These measures were adopted in response to concerns that local governments were approving growth and development without adequately considering whether sufficient water supplies existed to support those projects. Collectively known as the "show-me-the-water" laws, the statutes established new requirements intended to integrate water supply considerations into the land use approval process.

   These statutes created a framework that requires coordination between local planning agencies and water suppliers. The goal is to ensure that water availability is considered as part of development planning rather than after land use decisions have already been made. SB 221 applies later in the development process and requires confirmation of an adequate water supply before approval of certain residential subdivision maps under the Subdivision Map Act. SB 610, on the other hand, focuses on the earlier environmental review phase of project approval and requires preparation of a WSA for specified residential, commercial, and industrial developments so that water availability is evaluated before key planning decisions are made.

   WSAs: water supplies assured? The trigger for a city or county to request a WSA from a water supplier (or do it themselves) is the determination that certain large-scale projects are also subject to CEQA (note: not all CEQA "projects" are WSA "projects"; see Existing Law #3). A WSA requires the identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project, and a description of the quantities of water received in prior years by the public water system or the city or county through its water rights or other sources. The WSA must be completed within 90 days of the request by the city or county, but the water system may request a 30-day extension. Once completed, the WSA must be incorporated into the analysis of the project under CEQA.

   When preparing a WSA, an urban water supplier is able to use the assessment included in an UWMP. UWMPs are required of urban water suppliers who serve more than 3,000 customers and are required to contain an assessment of the reliability of water sources over the next 20 years, a description of demand management measures, a water shortage contingency plan, and a discussion of the use and planned use of recycled water. Although the UWMP may be valuable analysis for preparing a WSA, not all water suppliers are required to develop a UWMP, and even water suppliers with a UWMP may not have foreseen the scale or demand on their water supply. By examining potential supply constraints early in the approval process, WSAs can help developers, local governments, and water providers address water-related challenges before they become obstacles to project implementation.

   The effectiveness of California's water supply adequacy laws was examined through two surveys in the Golden Gate University Law Review article, "Show Me the Water: Urban Water Management Plans and California's Water Supply Adequacy Laws."[1] The first survey in 2004 revealed that across 59 cities and counties, water supply adequacy reviews had been

[1] Ellen Hanak, *Show Me The Water Plan: Urban Water Management Plans and California's Water Supply Adequacy Laws*, 4 Golden Gate University Entl. L.J. (2010).

completed for 95 projects. Nine of those projects were initially found to lack sufficient water supplies. Of those nine cases, developers were able to find additional water supplies or modify their project, but for the other two projects, the option of augmenting supplies was considered infeasible, and the projects were rejected. Five years later, the 2009 survey revealed similar trends. The study included 108 jurisdictions, 96 of which had prepared water supply assessments for a total of 261 projects between 2005 and 2009 with only one of those projects unable to proceed because of water supply concerns. Encouragingly, 30% of the projects adopted special measures to introduce conservation, recycled water, or secured additional water through water transfers.

CEQA later. CEQA is the process for ensuring informed decision-making by requiring the evaluation and disclosure of the potential environmental impacts of proposed projects before they are approved. This process provides opportunities for public participation in the review process and requires agencies to consider feasible alternatives and mitigation measures to reduce environmental harm where possible. 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 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. Some projects may be eligible for CEQA exemptions. If a project is exempt from CEQA, the lead agency simply identifies which exemption the project is eligible for, and no further environmental review or public engagement is required.

Over the past several years, the Legislature has enacted various CEQA exemptions and ministerial approvals to "speed up" the permitting process and reduce litigation risk for various types of development projects that meet specified requirements, including ministerial approvals for housing developments and CEQA exemptions 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, 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, 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.

As noted above, a city or county is required to initiate the WSA request once it determines what kind of CEQA documentation is needed for that project. 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. Although there have been numerous CEQA exemptions before these bills, the exemptions within these bills are significantly broader than other infill exemptions because they apply to larger sites (up to 20

acres) and include fewer conditions to qualify. 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. It is likely that the Legislature was unaware of this consequence at the time, considering how valuable the WSA is to local water suppliers.

Water supply and CEQA suits. CEQA is enforced by civil lawsuits that can challenge any project's environmental review. Some stakeholders argue that requiring a WSA would provide an opportunity for opponents to a development project to delay or stop a project through litigation. There is concern that a project opponent would directly challenge the contents of the WSA itself if the project was CEQA exempt.

It is unclear if, outside of CEQA, such a right of action exists since challenges to the adequacy of a water supply assessment have generally occurred pursuant to CEQA. As noted in the Senate Natural Resources and Water Committee analysis, *California Water Impact Network v. Newhall County Water District*, 161 Cal.App.1464 (2008) (*California Water*), the California Court of Appeal found California Water Impact Network (C-WIN) could not directly challenge the adequacy of a WSA because C-WIN failed to demonstrate that the WSA constitutes a final determination, finding, or decision since the EIR for the project had not yet been certified and that C-WIN failed to exhaust its administrative remedies pursuant to CEQA. The court, noting that "until a public agency makes a 'final' decision, the matter is not ripe for judicial review," reasoned that the WSA is "a technical, informational advisory opinion of the water provider. Though the WSA is required by statute to include an assessment of certain statutorily identified water supply issues and is required to be included in the EIR, the WSA's role in the EIR process is akin to that of other informational opinions provided by other entities concerning potential environmental impacts." Because it is the lead agency that ultimately decides whether to accept or reject the water supplier's analysis and whether water supplies are sufficient for the proposed project, the court concluded that the WSA is not final for the purposes of mandamus review until the lead agency makes a final determination on the sufficiency of water supplies, the CEQA review is complete, and the project is approved.

O.W.L. Foundation v. City of Rohnert Park, 168 Cal.App.4th 568 (2008) (*O.W.L.*), affirmed the position of *California Water* that "the adequacy of a WSA is not subject to judicial challenge until after a lead agency has certified an EIR and approved a project." Recently, in *City of Vallejo v. City of American Canyon*, 117 Cal.App.5th 1112 (2026) (*City of Vallejo*), the California Court of Appeal held that a neighboring city's challenge to another city's WSA, which was incorporated into its certified EIR for an industrial warehouse complex project, was justiciable. The court in *City of Vallejo* distinguished the case before them from *California Water*, stating that "unlike the water assessment in *California Water*, the instant [WSA] was evaluated by the lead agency, incorporated into the EIR, and certified. Consequently, we are not confronted with the same finality and exhaustion concerns as the *California Water* court."

It is worth noting that both the *California Water* and *City of Vallejo* cases were challenges alleging violations of CEQA law. The court in the *O.W.L.* case did determine that the WSA could be challenged, but only because the EIR had been certified. The *O.W.L.* court highlighted that the court's conclusion was limited to the unique facts of that case. Thus, case law provides little insight into whether reinstating these water supply planning

requirements will invite litigation for these projects. Therefore, it is unknown whether a court would find that a WSA prepared outside of the context of CEQA can be challenged separately from a city or county's final action on a development project. However, to ensure protections from this litigation, following the most recent set of amendments, this bill now includes language inspired by the decision C-WIN case: "A water supply assessment prepared pursuant to this part is an informational document and not a final agency action," which should provide suitable protection and indicate Legislative intent.

3) **Proposed committee amendments**. Proposed committee amendments make technical corrections to Water Code § 10911, that has legacy errors in the cross-reference citation. These amendments will align this water code section with the WSA statute. Amendments to Water Code § 10914 are to address concerns from organizations with an oppose-unless-amended position about the litigation risk for certain projects. These amendments determine that a WSA for a CEQA-exempt housing development project, as defined, is not subject to judicial review.

Make technical corrections to Water Code § 10911 (a):

(a) If, as a result of its assessment, the public water system concludes that its water supplies are, or will be, insufficient, the public water system shall provide to the city or county its plans for acquiring additional water supplies, setting forth the measures that are being undertaken to acquire and develop those water supplies. If the city or county, if either is required to comply with this part pursuant to subdivision ~~(b),~~ ***(b) of Section 10910,*** concludes as a result of its assessment, that water supplies are, or will be, insufficient, the city or county shall include in its water supply assessment its plans for acquiring additional water supplies, setting forth the measures that are being undertaken to acquire and develop those water supplies. Those plans may include, but are not limited to, information concerning all of the following:

(1) The estimated total costs, and the proposed method of financing the costs, associated with acquiring the additional water supplies.

(2) All federal, state, and local permits, approvals, or entitlements that are anticipated to be required in order to acquire and develop the additional water supplies.

(3) Based on the considerations set forth in paragraphs (1) and (2), the estimated timeframes within which the public water system, or the city or county if either is required to comply with this part pursuant to subdivision ~~(b),~~ ***(b) of Section 10910*****,** expects to be able to acquire additional water supplies.

Protect CEQA-exempt housing development projects from judicial challenge regarding the WSA in Water Code § 10914 (d):

(d) A water supply assessment prepared pursuant to this part is an informational document and not a final agency ~~action.~~ ***action subject to judicial review except as part of either of the following:***

(1) A challenge to a city or county's certification of an environmental impact report, or adoption of a negative declaration or mitigated negative declaration, for a housing development project.

(2) A challenge to a city or county's approval or disapproval of a project, as defined in Section 10912, that is not a housing development project.

4) **Arguments in support**. A coalition of water agencies and water-concerned organizations write that this bill "restores an important safeguard on water availability for new large developments that was inadvertently circumvented through recent legislation." The supporters share the benefits of linking land use and water supply through the WSA and the value of this early coordination. They note that a WSA is an "important tool for ensuring that new large developments have a long-term water supply, which is critical in light of the impacts that climate change and future droughts could have on areas throughout the state."

5) **Oppose unless amended**. The California Home Building Alliance (CHBA) writes with an oppose unless amended position on this bill. CHBA writes with concern that this bill "opens an unintended hook for private litigation against precisely the infill housing California is working hardest to build." They argue that even weak challenges "would cause delays, add costs, and create uncertainty to projects."

6) **Double referral**. This bill is also referred to the Assembly Local Government Committee.

7) **Related legislation**. AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, exempts infill housing projects on lots of up to 20 acres in size from CEQA.

   SB 131 (Committee on Budget), Chapter 24, Statutes of 2025, makes numerous changes to CEQA, including creating CEQA exemptions for advanced manufacturing, stations for high-speed rail, an exemption for rezoning of housing elements, and day care facilities, among others.

   AB 2011 (Wicks), Chapter 647, Statutes of 2021, requires ministerial approval of housing projects on commercial lots if they meet certain affordability, labor, environmental and other conditions.

   SB 35 (Wiener), Chapter 366, Statutes of 2017, establishes a process for streamlined, ministerial review of housing projects on infill sites if they meet specified affordability, labor, environmental, and other conditions.

   SB 221 (Kuehl), Chapter 642, Statutes of 2001, prohibits the approval of a tentative map or a development agreement for more than 500 dwelling units unless a city or county provide written verification of sufficient water supply, under the Subdivision Map Act.

   SB 610 (Costa), Chapter 643, Statutes of 2001, requires a water system to prepare a WSA for certain large-scale developments.

REGISTERED SUPPORT / OPPOSITION:

Support

East Bay Municipal Utility District (Sponsor)
American Planning Association California Chapter
American Water Works Association, California-Nevada Section
Association of California Water Agencies
California Coastkeeper Alliance
California Environmental Voters
California Farm Bureau
California Municipal Utilities Association
California Special Districts Association
California State Association of Counties
California Water Association
City of Sacramento
Clean Water Action
Cleanearth4kids.org
Community Alliance With Family Farmers
Community Water Center
Contra Costa Water District
Defenders of Wildlife
Friends of the River
Irvine Ranch Water District
Las Virgenes Municipal Water District
Leadership Counsel for Justice and Accountability
Mono Lake Committee
Olivenhain Municipal Water District
Planning and Conservation League
Regional Water Authority
San Francisco Baykeeper
San Joaquin Valley Water Collaborative Action Program
Sierra Club California
Trout Unlimited
Valley Water
Western Municipal Water District
Wholly H2O

Opposition

Abundant Housing Los Angeles
California Building Industry Association
California Council for Affordable Housing
California YIMBY
Fieldstead and Company, INC.
SPUR

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