Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Juan Carrillo, Chair
SB 1085 (Durazo) – As Amended June 17, 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) Provides that any city or county shall comply with specified WSA requirements when either 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 for a California Environmental Quality Act (CEQA) exemption.

    b) For a project, as defined for purposes of the water supply planning, when the city or county deems a development application complete.

2) Requires the city or county, within 15 days of receipt of the application, instead of upon making a CEQA determination as in current law, to request the public water system to determine whether the projected water demand associated with a proposed project was included as part of the most recent urban water management plan (UWMP).

3) Specifies that for a project that meets the conditions of a) of 1), above, or other affordable specified housing projects, the public water system shall submit the WSA to the city or county no later than 45 days from the date that the request was received.

4) Provides that the governing body of each public water system, or the city or county if they are responsible for preparing the WSA, shall not be required to approve the WSA at a public meeting.

5) Specifies that, if the public water system fails to submit the assessment, the city or county may seek a writ of mandamus to compel the public water system to submit the WSA.

6) Provides that a WSA is an informational document and not a final agency action subject to judicial review except as part of either of the following:

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

    b) A challenge to a city or county's approval or disapproval of a project, as defined, that is not a housing development project, as defined.

7) Specifies that nothing in this bill shall be construed to do either of the following:

a) Subject a project to discretionary review by a city or county if the project is required to be permitted ministerially pursuant to state law, as specified.

b) Subject a project to the requirements of CEQA if the project is otherwise exempt pursuant to any other law.

8) Makes numerous technical and conforming changes.

9) Provides that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill.

EXISTING LAW:

1) Requires any city or county with a project as defined in 3), below, 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 EIR, 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, if the water demand was accounted for in the UWMP, the public water system to incorporate the information from the UWMP into the WSA.

      ii) Requires, 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, if a public water system cannot be identified, the city or county to 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).

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

   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, as specified.

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.

h) A project that would account for an increase of 10% or more of a public water system's connections, if that public water 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 UWMP, 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 UWMP 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*.).

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

1) **Bill Summary.** This bill restores the requirement that cities and counties approving certain larger development projects identify a water system that would supply water for that project and require the completion of a WSA. Specifically, this bill requires a city or county, within 15 days of an application, instead of upon making a CEQA determination as in current law, to request a public water system to determine whether the projected water demand associated with a project was included in the most recent UWMP. This bill also develops an expedited timeline of 45 days for the completion of WSAs for specified projects, and it 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.

   This bill provides that a WSA is an informational document and not a final agency action subject to judicial review except in certain situations. Lastly, this bill specifies that this bill must not be construed to subject a project to discretionary review if the project is required to be permitted ministerially or to subject a project to the requirements of CEQA if the project is otherwise exempt. The East Bay Municipal Utility District is the sponsor of this bill.

2) **Author's Statement.** According to the Author, "SB 1085 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

water supply assessments (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, SB 1085 ensures that this proven planning tool remains in place to support informed decision-making and sustainable growth."

3) **Water Supply Assessments**. 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.

   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. 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 a 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.

4) **Changes to CEQA.** 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 are 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 approval 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 some 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 specified 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 facilities 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 broader than other infill exemptions because they apply to larger sites (up to 20 acres) and include fewer conditions to qualify. Because these projects are exempt from the CEQA process, they do not trigger the requirement to identify the water systems that may supply water for the project.

5) **Previous Legislation**. AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, exempted infill housing projects on lots of up to 20 acres in size from CEQA.

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

   AB 2011 (Wicks), Chapter 647, Statutes of 2022, required 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, established 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, prohibited the approval of a tentative map or a development agreement for more than 500 dwelling units unless a city or county provides written verification of sufficient water supply.

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

6) **Arguments in Support.** According to the East Bay Municipal Utility District, sponsor of this bill, "EBMUD sponsored SB 901 (Costa, 1995) and SB 610 (Costa, 2001) to link land use planning with water supply planning. Those measures established Water Supply Assessment (WSA) law in the Water Code and have been in place since 2002. A WSA is required for certain types of large residential, commercial, and mixed-use projects to assess the water demand impact of the project. Under current law, a city or county, upon determining that a project is subject to the California Environmental Quality Act (CEQA), shall request a WSA from a water supplier if the development meets the definition of 'project' contained in the Water Code. While the Water Code defines which projects need a WSA, the trigger for requiring the WSA was when the city or county determined that the project was subject to CEQA review.

   "In recent years, because of the Legislature's and Governor's focus on removing impediments to housing, there have been a growing number of bills that streamline development by eliminating CEQA review, as well as legislation that establishes statutory CEQA exemptions for certain types of affordable and infill housing. Those successful legislative efforts meant that a WSA was no longer required for projects that still met the

Water Code criteria but were no longer subject to CEQA.

"A WSA presents an opportunity for early coordination between a water supplier, land use entity, and a developer to help ensure a reliable, long-term water supply and the construction of the necessary infrastructure to support new developments. As climate change continues to challenge the reliability of future water supplies, the WSA process allows water suppliers to provide important information to developers regarding reliability during future droughts, necessary infrastructure upgrades and costs, water conservation measures in place, and potential availability of recycled water to serve projects. This early coordination between the water supplier and developer can minimize surprises that could otherwise occur further along in the development process, thus aiding in smoother project implementation.

"SB 1085 (Durazo) would ensure that regardless of whether a project is subject to CEQA review, any large residential, commercial, or mixed-use project that meets the definition of 'project' contained in WSA law shall trigger the requirement for a WSA to be completed. We believe that the WSA continues to be an important tool in the water and land use planning and development process and should be restored."

7) **Arguments in Opposition.** According to Fieldstead and Company on a previous version of this bill, "Under existing law, the WSA requirement is conditioned on a project being subject to CEQA. As a result, projects exempt from CEQA pursuant to AB 130 or SB 131 or projects approved ministerially under SB 35, SB 423, or AB 2011, do not trigger a WSA. SB 1085 would change that by requiring WSAs for all projects subject to Water Code § 10910, regardless of CEQA status. By tying that WSA requirement to the existing CEQA process, the bill effectively brings back CEQA-style legal challenges for projects the Legislature had already exempted. This exposes infill housing to lawsuits it would otherwise avoid. Moreso, even weak cases would cause delays, add costs, and create uncertainty to projects. As a consequence, this will lead to fewer homes and higher rents in California."

8) **Double-Referral.** This bill is double referred to the Water, Parks, and Wildlife Committee, where it passed on 11-0 vote on June 16, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

East Bay Municipal Utility District [SPONSOR]
American Planning Association, California Chapter
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
California-Nevada Section, American Water Works Association
City of Sacramento
Clean Eart 4 Kids

Clean Water Action
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 for Justice and Accountability
Mono Lake Committee
Olivenhain Municipal Water District
Planning and Conservation League
Rancho California Water District
Regional Water Authority
San Francisco Baykeeper
San Joaquin Valley Water Collaborative Action Program
Santa Clara Valley Water District
Sierra Club California
State Building & Construction Trades Council of California
Trout Unlimited
Unite Here International Union, AFL-CIO
Western Municipal Water District
Wholly H2O

Opposition

Fieldstead and Company (previous version)

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