SENATE THIRD READING
SB 1085 (Durazo)
As Amended June 17, 2026
Majority vote

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).

Major Provisions

1) Requires a city or county to identify a water system that will serve a project (as defined in Water Code Section 10912) 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 subject to judicial review except as apart of either of the following:

   a) A challenge to a city or county's California Environmental Quality Act (CEQA) documentation for a housing development project; or

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

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 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.

COMMENTS

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 (note: not all CEQA "projects" are WSA "projects"; see Water Code Section 10912). 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.

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, which provided numerous CEQA exemptions. As noted above, a city or county is required to initiate a 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.

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."

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."

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 Section 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."

FISCAL COMMENTS

By imposing additional duties on a city or county, the bill imposes a state-mandated local program. However, these local costs are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to offset any increased local costs associated with the bill.

VOTES

SENATE FLOOR: 35-1-4
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson
NO: Wiener
ABS, ABST OR NV: Becker, Jones, Niello, Padilla

ASM WATER, PARKS, AND WILDLIFE: 11-0-1
YES: Papan, Jeff Gonzalez, Alanis, Alvarez, Ávila Farías, Bennett, Boerner, Caloza, Hart, Celeste Rodriguez, Rogers
ABS, ABST OR NV: Bains

ASM LOCAL GOVERNMENT: 10-0-0
YES: Carrillo, Ta, Johnson, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson

ASM APPROPRIATIONS: 15-0-0
YES: Wicks, Hoover, Arambula, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

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