

UNFINISHED BUSINESS

Bill No: SB 1085
Author: Durazo (D), et al.
Amended: 8/19/26
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 6-0, 4/14/26
AYES: Becker, Seyarto, Allen, Cabaldon, Cortese, Stern
NO VOTE RECORDED: Grove

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 4/22/26
AYES: Durazo, Choi, Arreguín, Ashby, Cervantes, Laird, Seyarto

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 35-1, 5/18/26
AYES: 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
NOES: Wiener
NO VOTE RECORDED: Becker, Jones, Niello, Padilla

ASSEMBLY FLOOR: Passed, 8/26/26

SUBJECT: Water supply planning: housing developments

SOURCE: East Bay Municipal Water District

DIGEST: Restores a requirement that cities and counties approving certain projects identify a water system that would supply water for that project and complete a water supply assessment (WSA).

Assembly Amendments match the definition of “project” to the definition in existing law and state a WSA is only subject to judicial review when it is being

challenged as part of 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 or when it's being challenged as part of a non-housing development project.

ANALYSIS:

Existing law:

- 1) Requires cities and counties that determine a project is subject to the California Environmental Quality Act (CEQA) to comply with certain water supply planning requirements.
- 2) Defines, for purposes of water supply planning, a "project" as any proposed:
 - a) Residential development of more than 500 dwelling units.
 - b) Shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space.
 - c) Commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space.
 - d) Hotel or motel, or both, having more than 500 rooms.
 - e) 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) Mixed-use project that includes one or more of the above-described projects.
 - g) Project that would demand an amount of water equal to, or greater than, the amount of water required by a 500 dwelling unit project.
 - h) Residential, business, commercial, hotel or motel, industrial development or mixed use development that would – where a public water system has fewer than 5,000 service connections – increase the number of service connections by 10% percent or more.
- 3) Requires the city or county to identify a water system to serve a proposed project and if one isn't identifiable, the city or county must prepare a WSA.
- 4) Exempts from CEQA – and by extension, from the requirement to prepare a WSA – a number of development projects listed in (2) above.

This bill:

- 1) Requires a city or county to identify a water system that will serve a project and requires that water system – or the city or county if no water system is identified – to prepare a WSA once:
 - a) An applicant submits 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 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 to complete a WSA for projects that comply with (1)(a) above or are affordable housing projects. Also allows the city or county to seek a writ of mandamus to compel the public water system to submit the WSA if it fails to do so.
- 4) Determines the WSA is an informational document and not a final agency action subject to judicial review except when:
 - a) A challenge is made to a city or county's CEQA documentation for a housing development project that is a WSA project; or
 - b) A challenge is made to a city or county's approval or disapproval of a WSA project that is not a housing development project.
- 5) States it does subject a project to:
 - 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 exempt from CEQA.

Background

“Show Me The ... Water.” California's efforts to better align development decisions with available water resources stem largely from two statutes enacted in 2001. The laws were adopted in response to concerns that local governments were approving development projects without adequately considering whether sufficient

water supplies existed to support those projects. The two 2001 measures established new requirements to integrate water supply considerations into the land use approval process.

The trigger for a city or county to request a WSA from a water supplier (or do it themselves) is when it determines certain large-scale projects are also subject to CEQA. A WSA requires any existing water supply entitlements, water rights, or relevant water service contracts to be identified for the proposed project, and a description of the amount 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, though the water system may request a 30-day extension. Once completed, the WSA must be incorporated into project's CEQA analysis.

Feeling The Need For Speed, But Not Water? In an effort to speed up the permitting process, the Legislature has enacted various CEQA exemptions and converted certain projects to only require ministerial approval from a local government over the past several years. Last year, SB 131 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2025) and AB 130 (Committee on Budget, Chapter 22, Statutes of 2025) created several new 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. The enactment of SB 131 and AB 130 exempted many projects, such as advanced manufacturing facilities, maintenance facilities for electrically powered high-speed rail, and certain larger housing development projects, from not just CEQA but also from the water planning requirements in law.

Comments

- 1) *Purpose of the bill:* According to the author, the 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.

"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) *Keep Your CEQA Exemption, But Not Your Water Planning Exemption.* The bill does not reverse the CEQA exemptions granted to certain projects under last year's SB 131 and AB 130. However, it does make it clear that projects benefitting from those CEQA exemptions do have to comply with the water planning laws that applied to them prior to the exemptions being created.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Assembly Appropriations Committee, the bill imposes a state-mandated local program, but these costs are not state-reimbursable.

SUPPORT: (Verified 8/24/26)

East Bay Municipal Utilities District (source)
 American Planning Association, California Chapter
 Association of California Water Agencies (ACWA)
 California Building Industry Association
 California Coastkeeper Alliance
 California Environmental Voters
 California Farm Bureau
 California Municipal Utilities Association
 California Special Districts Association
 California State Association of Counties (CSAC)
 California Water Association
 City of Sacramento
 City of Sacramento Department of Utilities
 Clean Earth 4 Kids
 Clean Water Action California
 Community Water Center
 Community Alliance With Family Farmers
 Contra Costa Water District
 Defenders of Wildlife
 Friends of the River
 Irvine Ranch Water District

Las Virgenes Municipal Water District
Leadership Counsel for Justice & 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
Valley Water
Western Municipal Water District
Wholly H2O

OPPOSITION: (Verified 8/24/26)

Abundant Housing Los Angeles
California Council for Affordable Housing
California YIMBY
SPUR

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