



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Water Resources Committee Members and Alternates / Board of Directors and Alternates

From: Scott Petersen, Water Policy Director

Date: February 2, 2026

RE: Water Resources Committee to Consider Recommendations on Legislation / Board of Directors to Consider Same

Recommendation

Recommend to the Water Resources Committee and Board of Directors to adopt the following positions on legislation:

Federal Legislation

- Adopt a position of "Favor and Amend" on H.R. 6639 (Gray), Water Agency and Transparency Enhancement Review (WATER) Act
- Adopt a position of "Favor" on H.R. 6640 (Gray), Build Now Act
- Adopt a position of "Support and Amend" on H.R. 6641 (Gray), Central Valley Water Solution Act

State Legislation

- Ratify the Position of "Support" adopted by the Executive Director under delegated authority on A.B. 35 (Alvarez), Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedures Act: exemption: program guidelines and selection criteria.

Federal Legislation

H.R. 6639 (Gray), Water Agency and Transparency Enhancement Review (WATER) Act

RECOMMENDATION: Favor and Amend

POLICY SCOPE: Water Supply Reliability, Environmental and Regulatory Compliance

Summary

The bill codifies portions of E.O. 14181 and establishes a framework for identifying major water-supply and storage projects in California that fall under the joint or individual responsibilities of the Department of the Interior and Commerce. It mandates that each department designate a compliance official to evaluate regulatory hurdles that unnecessarily delay or impede project development, including those stemming from recent legislative changes like the Fiscal Responsibility Act of 2023. These officials must identify any rules that unduly burden water projects and propose plans to suspend, revise, or rescind such regulations if they do not serve the public interest or comply



with existing laws. The process emphasizes coordination and information sharing to improve efficiency and reduce unnecessary delays in water infrastructure development.

Status

H.R. 6639 was introduced on December 11, 2025, and has been referred to the House Committee on Natural Resources.

Importance to the Authority

This legislation codifies provisions in [Executive Order 14181](#) that would require the Secretaries of Interior and Commerce to identify major water supply and storage projects in California and to develop plans to address any major regulatory hurdles to their completion.

The legislation could lead to increased focus on priority projects that can improve California water supply, particularly when integrated with the state-level framework associated with implementation of S.B. 72, which establishes long term water supply planning targets at the state level.

Suggested Amendments

Staff recommends seeking amendments to require the coordination to occur at the beginning of each 4-year term of a federal Administration and to be implemented throughout the administration, rather than a one-time coordination effort.

H.R. 6640 (Gray), Build Now Act

RECOMMENDATION: Favor

POLICY SCOPE: Water Supply Reliability, Water Quality and Resource Management, Environmental and Regulatory Compliance

Summary

The Build Now Act mandates that environmental reviews for Central Valley Project enhancement projects must be completed within one year of permit application submission. If the responsible agency cannot meet this deadline, it may grant an extension with the applicant's approval or deny the permit. Applicants denied due to failure to meet the timeline may reapply at any time after denial, and the lead agency must provide relevant environmental review data to facilitate a faster review process on the new application. The Act defines CVP enhancement projects to include groundwater recharge, aquifer storage, and water source substitution projects, and specifies that environmental review includes compliance with the National Environmental Policy Act and Section 7 of the Endangered Species Act.

Status

H.R. 6640 was introduced on December 11, 2025, and has been referred to the House Committee on Natural Resources.

Importance to the Authority

This legislation makes changes to environmental review processes under the National Environmental Policy Act and Section 7 of the Endangered Species Act, with the intent to improve the completion of groundwater recharge, aquifer storage, and water source substitution projects. Many of these projects take substantial time and expense



to permit under these federal laws, with sometimes uncertain rationales for the long delays in completion of permitting processes. This legislation would mandate completion of environmental compliance documents from the action agency within a year, with specific provisions associated with next steps in the instance where approvals are not granted within that year.

H.R. 6641 (Gray), Central Valley Water Solution Act

RECOMMENDATION: Support and Amend

POLICY SCOPE: Water Supply Reliability, Funding and Finance

Summary

The bill provides funding for a range of water projects in California, such as groundwater banking and storage, recharge basins, pipeline construction for in-lieu recharge, and subsidence correction across key canals like the Delta-Mendota and San Luis Canal. Projects include reverse flow pumpback systems, aquifer storage and recovery, and improvements to irrigation infrastructure. The funding is allocated to specific districts and projects, with emphasis on enhancing water supply reliability, supporting agricultural needs, and addressing environmental and operational challenges. All projects must comply with environmental laws and involve coordination with tribal entities, state agencies, and public irrigation districts. Includes all projects in joint SLDMWA-SJRECWA-FWA letter related to the available \$4 billion dollars in Inflation Reduction Act drought funding passed and signed into law during the Biden Administration.

Status

H.R. 6641 was introduced on December 11, 2025, and has been referred to the House Committee on Natural Resources.

Importance to the Authority

This legislation authorizes nonreimbursable funding for a substantial number of specific water infrastructure projects that would improve water supply reliability for south-of-delta Central Valley Project contractors, as well as improve water resilience in the greater San Joaquin Valley. This legislation, if enacted, would advance many Water Authority and Water Authority member agency priority projects, while improving affordability by providing nonreimbursable federal funding for the named projects.

Suggested Amendments

Ensure sufficient funding is authorized for listed projects and add additional priority member agency projects.



State Legislation

A.B. 35 (Alvarez), Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedures Act: exemption: program guidelines and selection criteria.

RECOMMENDATION: Ratification of Executive Director Delegated Authority Position of “Support”

POLICY SCOPE: Water Supply Reliability, Environmental and Regulatory Compliance, Funding and Finance

Summary

This bill would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding under Proposition 4 to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including develop draft project solicitation and evaluation guidelines and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. The bill would require the Secretary of the Natural Resources Agency to post an electronic form of the guidelines submitted by a state entity and the subsequent verifications on the Natural Resources Agency’s internet website. The bill would authorize the use of certain previously developed program guidelines and selection criteria for these purposes, as provided. This bill would declare that it is to take effect immediately as an urgency statute.

Status

A.B. 35 was last amended on January 14, 2026, and passed the Assembly on January 26, 2026, with a 76-0 vote.

Importance to the Authority

This legislation would expedite the release of funds for important water resource projects under Proposition 4, including subsidence mitigation, groundwater recharge, community drinking water, dam safety, and wildfire mitigation and avoidance projects.

Guidelines for Taking Positions on Legislation

A number of controversial bills are introduced in the Congress and in the California Legislature. It is important to understand how the Authority takes positions on legislation.

Policy

By Agenda Item 7, dated December 12, 2025, the Board adopted the Policy Framework and Fiscal Year 2027 Policy Action Plan.



Water Authority's Positions on Legislation

The Water Authority takes positions on legislation that, if enacted, would impact Water Authority members, consistent with Water Authority Board adopted Goals and Objectives in the Strategic Plan, as implemented through the Policy Framework and Annual Policy Action Plan.

The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Support and Amend, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, Favor and Amend, and Watch (neutral).

The Water Authority's staff and consultants testify and advocate with legislators and staff through direct meetings and coordination of member agency contacts on all positions except Watch, Favor and Not Favor. For Favor and Not Favor positions, written communication of the Water Authority's position is provided to the legislator, the Water Authority's delegation, and relevant Committees.

Nothing in this section should be read to preclude the Executive Director or his or her delegee from taking an informal support or informal oppose position on behalf of the Water Authority that is consistent with the Policy Framework and Annual Policy Action Plan, or to preclude the Executive Director from communicating a position on emergency legislation after obtaining the concurrence of the Chair, or the Chair's designee, provided that the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board meeting.

Amendment Development Process

If the Water Authority takes a position contingent on amendments, the Water Authority will typically discuss the concepts for the amendments at the meeting. Then Water Authority staff, in consultation with Committee and/or Board Members as needed, will develop the amendments after the meeting.

Information Sharing

To provide adequate information to the entire Water Authority membership, the Water Authority provides legislative updates, posts positions and other information on our website, and sends out advisories and alerts on key legislation.

The Water Authority's legislative department is available to provide specific information on bills on request and Board Members are encouraged to communicate Water Authority positions on priority legislation in meetings with legislative staff, consistent with Water Authority policy. The Water Authority's Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.



BILL TEXT

119TH CONGRESS
1ST SESSION

H. R. 6639

To codify certain sections of Executive Order 14181 relating to emergency measures to provide water resources in California and improve disaster response in certain areas.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2025

Mr. GRAY (for himself and Mr. COSTA) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To codify certain sections of Executive Order 14181 relating to emergency measures to provide water resources in California and improve disaster response in certain areas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Water Agency and
5 Transparency Enhancement Review (WATER) Act”.

1 **SEC. 2. PLANS TO ADDRESS REGULATORY HURDLES FOR**
2 **MAJOR WATER-SUPPLY AND STORAGE**
3 **PROJECTS.**

4 (a) IDENTIFICATION OF MAJOR WATER-SUPPLY AND
5 STORAGE PROJECTS.—The Secretary of the Interior and
6 the Secretary of Commerce shall identify all ongoing or
7 potential major water-supply and storage projects (includ-
8 ing surface and ground water storage projects, aquifer re-
9 charge projects, and State conveyance projects) within the
10 State of California for which they have joint responsibility
11 under section 7(a) of the Endangered Species Act of 1973
12 (16 U.S.C. 1536(a)) or individual responsibilities under
13 the National Environmental Policy Act of 1969 (42 U.S.C.
14 4321 et seq.).

15 (b) PLANS.—

16 (1) DESIGNATION OF COMPLIANCE OFFI-
17 CIALS.—With respect to the projects identified under
18 subsection (a), the Secretary of the Interior and the
19 Secretary of Commerce shall each designate one
20 Federal official to coordinate each agency's respec-
21 tive compliance responsibilities under the National
22 Environmental Policy Act of 1969 (42 U.S.C. 4321
23 et seq.) and the Endangered Species Act of 1973
24 (16 U.S.C. 1531 et seq.).

25 (2) IDENTIFICATION OF REGULATORY HUR-
26 DLES.—Not later than 30 days after the date of en-

actment of this section, each Federal official designated under paragraph (1) shall—

(A) identify any regulatory hurdles that unduly burden each project identified under subsection (a);

(B) identify any recent changes in applicable State or Federal law that may impact such projects from a regulatory perspective, including changes made by the Fiscal Responsibility Act of 2023 (Public Law 118–5); and

(C) develop a proposed plan, for review by the Secretaries, to appropriately suspend, revise, or rescind any regulations or procedures that unduly burden such projects and are not necessary to protect the public interest or otherwise comply with the law.

(3) COORDINATION.—In carrying out paragraph (2), each Federal official designated under paragraph (1) shall coordinate and share all appropriate information that will enable improved efficiencies.

(c) UNDULY BURDEN DEFINED.—In this section, the term “unduly burden” means to unnecessarily obstruct, delay, curtail, impede, or otherwise impose significant

- 1 costs on the permitting, utilization, transmission, delivery,
- 2 or supply of water resources and water infrastructure.



119TH CONGRESS
1ST SESSION

H. R. 6640

To optimize the environmental review process for Central Valley Project permits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2025

Mr. GRAY (for himself and Mr. COSTA) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To optimize the environmental review process for Central Valley Project permits, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Build Now Act”.

5 **SEC. 2. CENTRAL VALLEY PROJECT ENVIRONMENTAL RE-**
6 **VIEW TIMELINE.**

7 (a) IN GENERAL.—Notwithstanding any other provi-
8 sion of law, if a federally issued permit for a CVP en-
9 hancement project requires an environmental review, the
10 environmental review shall be completed not later than 1

1 year after the date on which the permit application is sub-
2 mitted by the permit applicant.

3 (b) FAILURE TO MEET DEADLINE.—If the agency
4 responsible for carrying out an environmental review de-
5 scribed in subsection (a) is unable to meet the timeline
6 under that subsection, the head of the agency issuing the
7 applicable permit shall—

8 (1) with the approval of the permit applicant,
9 grant an extension for the environmental review; or

10 (2) deny the permit.

11 (c) ACTION AFTER DENIAL.—

12 (1) IN GENERAL.—An applicant for a permit
13 that is denied due to a failure to meet the timeline
14 under this section may re-apply for the permit at
15 any time after the denial is issued.

16 (2) LEAD AGENCY.—If an applicant re-applies
17 for a permit under paragraph (1), the head of the
18 agency responsible for carrying out the environ-
19 mental review required under the previous applica-
20 tion shall furnish to the applicant, to the extent per-
21 mitted by law, any information gathered as part of,
22 or related to, such environmental review to facilitate
23 an expedited environmental review for the new appli-
24 cation.

25 (d) DEFINITIONS.—In this Act:

1 (1) CVP ENHANCEMENT PROJECT.—The term
2 “CVP enhancement project” means a project with a
3 primary purpose of supporting, enhancing, or main-
4 taining the Central Valley Project and related infra-
5 structure, including—

6 (A) groundwater recharge projects;

7 (B) aquifer storage projects; and

8 (C) water source substitution projects.

9 (2) ENVIRONMENTAL REVIEW.—The term “en-
10 vironmental review” means fulfilling the require-
11 ments applicable to a CVP enhancement project per-
12 mit under the National Environmental Policy Act of
13 1969 (42 U.S.C. 4331 et seq.) and section 7 of the
14 Endangered Species Act of 1973 (16 U.S.C. 1536).

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119TH CONGRESS
1ST SESSION

H. R. 6641

To provide for financial and technical support of certain projects related to the Central Valley Project, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2025

Mr. GRAY (for himself, Mr. COSTA, and Mr. HARDER of California) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To provide for financial and technical support of certain projects related to the Central Valley Project, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Central Valley Water
5 Solution Act”.

6 **SEC. 2. CENTRAL VALLEY PROJECT WATER PROJECTS.**

7 (a) PROJECTS AUTHORIZED.—The Secretary shall
8 provide financial and technical assistance for the following
9 projects in the State, and there is authorized to be appro-

1 priated to the Secretary the corresponding amounts in pa-
2 rentheses to carry out this section:

3 (1) Westland Water District Recharge Basins
4 (\$85,000,000), for the purchase by the District on
5 a willing seller basis of 1,800 acres of land along the
6 Coalinga Canal to build recharge basins in prime
7 areas with greater percolation rates and within the
8 unconfined zone of the subbasin, retrofitting the
9 Coalinga Canal's existing turnouts to improve the
10 conveyance capacity to the recharge facilities, and
11 the construction of terraced berms to retain water at
12 the recharge sites to enhance percolation and elimi-
13 nate runoff.

14 (2) Westlands Water District Reverse Osmosis
15 Treatment Plants and High-Capacity Shallow Aquifer
16 Wells (\$30,000,000), for constructing 2 reverse
17 osmosis treatment plants and 8 high-capacity shal-
18 low aquifer wells to reclaim approximately 20,000
19 acre-feet of poor-quality, perched groundwater to
20 drinking quality levels.

21 (3) East San Joaquin Valley Groundwater
22 Banking and Storage Program (\$360,000,000), for
23 a suite of groundwater banking, in-lieu groundwater
24 recharge, groundwater quality treatment, and stor-
25 age projects.

1 (4) Lindsay-Strathmore Irrigation District—
2 Rancho de Kaweah Groundwater Bank
3 (\$30,000,000), for constructing 1,200 acres of
4 groundwater banking in multiple phases, including
5 recovery wells, pipelines, and a new turnout and pi-
6 lots to determine recharge and recovery rates.

7 (5) Pixley Irrigation District Joint Ground-
8 water Bank (\$25,000,000), for constructing 560
9 acres of groundwater banking in multiple phases, in-
10 cluding recovery wells, pipelines, a new turnout and
11 pilots to determine recharge and recovery rates. The
12 project is anticipated to be completed within 2–3
13 years of funding availability.

14 (6) Shafter-Wasco Irrigation District Annex
15 Groundwater Bank (\$55,000,000), for constructing
16 3,000 acres of groundwater banking in multiple
17 phases, including recovery wells, pipelines, and a
18 new turnout and pilots to determine recharge and
19 recovery rates.

20 (7) Arvin Edison Water Storage District
21 DiGiorgio Unit In-Lieu Project (\$12,900,000), for
22 constructing a total of 11.8 miles of pipeline to con-
23 vey and deliver surface water to support in-lieu
24 groundwater recharge.

1 (8) Arvin Edison Water Storage District Frick
2 Unit In-Lieu Project (\$8,100,000), for constructing
3 a total of 6 miles of pipeline to serve 2,843 acres of
4 irrigated agriculture to support in-lieu groundwater
5 recharge.

6 (9) Arvin Edison Water Storage District Pan-
7 ama Unit In-Lieu Project (\$13,400,000), for con-
8 structing a total of 8.8 miles of pipeline to serve
9 4,816 acres of irrigated agriculture to support in-
10 lieu groundwater recharge.

11 (10) Arvin Edison Water Storage District
12 Sandrini Unit In-Lieu Project (\$28,300,000), for
13 constructing 1 mile of new canal and 21.1 miles of
14 pipeline to serve 11,000 acres of irrigated agri-
15 culture to support in-lieu groundwater recharge.

16 (11) Arvin Edison Water Storage District Re-
17 covery Wells and Groundwater Quality Treatment
18 Project (\$174,000,000), for constructing 7 new
19 wells, and providing water quality treatment for new
20 wells and over 65 existing wells to meet treatment
21 standards and support conjunctive use and oper-
22 ational flexibility of the California Aqueduct.

23 (12) Tulare Irrigation District Seaborn Res-
24 ervoir (\$23,000,000), for constructing an internal

1 berm and inlet, outlet, and pump facilities off of the
2 St. Johns River, and native habitat improvements.

3 (13) City of Tracy Recycled Water and Ex-
4 change Program (\$10,000,000), for expanding the
5 City of Tracy's Recycled Water Project project, in-
6 cluding a pumping station and associated convey-
7 ance pipeline to convey recycled water to city infra-
8 structure and to the DMC to supplement the City's
9 CVP supply.

10 (14) City of Tracy Aquifer Storage and Recov-
11 ery Program (\$22,000,000), for installing 4 Aquifer
12 Storage and Recovery wells.

13 (15) Water Conservation Improvement Projects
14 Planning Work (\$1,000,000), for developing a feasi-
15 bility and environmental study to analyze lining
16 areas within the Exchange Contractors service area
17 that are drainage impacted to generate conserved
18 water for future implementation.

19 (16) Del Puerto Canyon Reservoir Project
20 (\$1,010,000), for constructing an 82,000 acre-foot
21 reservoir located on Del Puerto Creek, providing
22 needed South of Delta storage to provide drought re-
23 sistance for the region's agricultural and environ-
24 mental water supplies, supporting disadvantaged

1 communities, and providing public safety flood pro-
2 tection for the City of Patterson.

3 (17) Upper Delta-Mendota Canal Reverse Flow
4 Pumpback Project (\$25,000,000), for designing and
5 constructing 3 permanent lift stations along the
6 DMC that will allow reverse flow of CVP and non-
7 CVP water stored in the San Luis Reservoir (SLR)
8 to be delivered to the CVP contractors along the
9 northern reaches of the DMC, mitigating drought
10 related water supply shortages for Upper DMC con-
11 tractors.

12 (18) Lower Delta-Mendota Canal Reverse Flow
13 Pumpback Project (\$280,000,000), for planning and
14 constructing facilities enabling reverse flow of the
15 DMC from the Mendota Pool to O'Neil Forebay and
16 interconnecting the Central California Irrigation
17 District Outside and Main Canals to the DMC to
18 convey flood water into the San Luis Reservoir for
19 storage or direct use, or exchange.

20 (19) Delta-Mendota Canal Subsidence Correc-
21 tion Project (\$830,000,000), for modifying the 116-
22 mile-long DMC to restore the original design convey-
23 ance capacity and avoid constraints on the operation
24 of the Central Valley Project, and addressing oper-
25 ational safety concerns generated by subsidence.

1 (20) San Luis Canal/California Aqueduct Sub-
2 sidence Correction Project (\$850,000,000), for
3 modifying the San Luis Canal/California Aqueduct
4 to restore the original design conveyance capacity
5 and avoid constraints on the operation of the Cen-
6 tral Valley Project, and addressing operational safe-
7 ty concerns generated by subsidence.

8 (21) Friant-Kern Canal Phase II Capacity Cor-
9 rection Project (\$730,000,000), for remaining pre-
10 construction and construction activities for Upper
11 and Lower Reach Capacity Correction, including em-
12 bankment and lining raises, and structure modifica-
13 tions or replacements necessary to restore the design
14 capacity of the from the Kings River Check to the
15 Fifth Avenue Check, and from Reservoir Check to
16 the Kern Check.

17 (22) Turlock Irrigation Intertie Project
18 (\$800,000,000), for connecting the New Melones
19 and Don Pedro Reservoirs.

20 (b) COORDINATION.—The Secretary shall participate
21 in and enter into agreements and coordinate with affected
22 Indian Tribes, the State (including subdivisions and de-
23 partments of the State), and public agencies organized
24 pursuant to State law (including irrigation entities) as
25 necessary to carry out this Act.

1 (c) COST SHARING.—

2 (1) IN GENERAL.—Except as provided in para-
3 graph (2)—

4 (A) for the purposes of section 203 of the
5 Reclamation Reform Act of 1982 (43 U.S.C.
6 390cc) or section 3404(a) of the Reclamation
7 Projects Authorization and Adjustment Act of
8 1992 (Public Law 102–575; 106 Stat. 4708), a
9 contract or agreement entered into pursuant to
10 this section shall not be treated as a new or
11 amended contract; and

12 (B) none of the funds provided under this
13 section shall be reimbursable or subject to
14 matching or cost sharing requirements.

15 (2) EXCEPTION.—Paragraph (1) does not apply
16 to the study described in subsection (a)(15).

17 (d) ENVIRONMENTAL LAWS.—In providing funding
18 for a project under this section, the Secretary shall comply
19 with all applicable environmental laws, including—

20 (1) the National Environmental Policy Act of
21 1969 (42 U.S.C. 4321 et seq.);

22 (2) any obligations for fish, wildlife, or water
23 quality protection in permits or licenses granted by
24 a Federal agency or the State; and

1 (3) any applicable Federal or State laws (in-
2 cluding regulations).

3 (e) DEFINITIONS.—In this Act:

4 (1) SECRETARY.—The term “Secretary” means
5 the Secretary of the Interior, acting through the
6 Commissioner of Reclamation.

7 (2) STATE.—The term “State” means the State
8 of California.

9 (3) CVP.—The term “CVP” means the Central
10 Valley Project.

11 (4) DMC.—The term “DMC” means the Delta-
12 Mendota Canal.

○

AMENDED IN ASSEMBLY JANUARY 14, 2026

AMENDED IN ASSEMBLY JANUARY 5, 2026

AMENDED IN ASSEMBLY APRIL 21, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 35

Introduced by Assembly Member Alvarez
(Principal coauthor: Assembly Member Hadwick)

(Principal coauthor: Senator Arreguín)

(Coauthor: Assembly Member Connolly)

**(Coauthors: Assembly Members Alanis, Ávila Farías, Berman,
Boerner, Carrillo, Connolly, Davies, Jeff Gonzalez, Mark González,
Hoover, Kalra, Patel, Pellerin, Petrie-Norris, Rogers, Solache, Stefani,
Wallis, Ward, Wicks, and Zbur)**

(Coauthor: Senator Allen)

**(Coauthors: Senators Allen, Blakespear, Grayson, Jones, Padilla,
Seyarto, and Valladares)**

December 2, 2024

An act to amend Section 90135 of the Public Resources Code, relating to environmental ~~protection~~: *protection, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 35, as amended, Alvarez. Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.

Existing law, the Administrative Procedure Act, sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies.

The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (act), approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs.

Existing law authorizes certain regulations needed to effectuate or implement programs of the act to be adopted as emergency regulations in accordance with the Administrative Procedure Act, as provided. Existing law requires the emergency regulations to be filed with the Office of Administrative Law and requires the emergency regulations to remain in effect until repealed or amended by the adopting state agency.

~~This bill would delete the above provisions relating to the adoption of regulations to implement the act as emergency regulations and would instead exempt the adoption of those regulations from the Administrative Procedure Act.~~

This bill, notwithstanding the above, would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including develop draft project solicitation and evaluation guidelines and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. The bill would require the Secretary of the Natural Resources Agency to post an electronic form of the guidelines submitted by a state entity and the subsequent verifications on the Natural Resources Agency's internet website. The bill would authorize the use of certain previously developed program guidelines and selection criteria for these purposes, as provided.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 90135 of the Public Resources Code is
2 amended to read:
3 90135. (a) The Secretary of the Natural Resources Agency
4 shall publish a list of all program and project expenditures pursuant
5 to this division not less than annually, in written form, and shall
6 post an electronic form of the list on the agency's internet website
7 in a downloadable spreadsheet format. The spreadsheet shall
8 include all of the following information:
9 (1) Information about the location and footprint of each funded
10 project.
11 (2) The project's objectives.
12 (3) The status of the project.
13 (4) Anticipated outcomes.
14 (5) The public benefits to be derived from the project, including
15 whether the project has meaningful and direct benefits to vulnerable
16 populations, disadvantaged communities, or severely disadvantaged
17 communities.
18 (6) The total cost of the project, if known.
19 (7) The amount of bond funding provided.
20 (8) Any matching moneys provided for the project by the grant
21 recipient or other partners.
22 (9) The applicable chapter of this division pursuant to which
23 the recipient received moneys.
24 (b) The Department of Finance shall provide for an independent
25 audit of expenditures pursuant to this division. If an audit, required
26 by law, of any entity that receives funding authorized by this
27 division is conducted pursuant to state law and reveals any
28 impropriety, the California State Auditor or the Controller may
29 conduct or arrange for a full audit of any or all of the activities
30 funded pursuant to this division. Any audit of a federal Department
31 of Energy or National Aeronautics and Space Administration
32 research and development center pursuant to this section shall be
33 conducted in accordance with the Federal Laboratory Contracting
34 Act (Chapter 7 (commencing with Section 12500) of Part 2 of
35 Division 2 of the Public Contract Code).

1 (c) A state agency issuing any grant with funding authorized
2 by this division shall require adequate reporting of the expenditures
3 of the funding from the grant.

4 (d) The costs associated with the publications, audits, statewide
5 bond tracking, cash management, and related oversight activities
6 provided for in this section shall be funded from the proceeds of
7 bonds authorized by this division. These costs shall be shared
8 proportionally by each program funded by this division. Actual
9 costs incurred to administer nongrant programs authorized by this
10 division shall be paid from the proceeds of bonds authorized by
11 this division.

12 *(e) (1) A regulation for the purposes of developing and adopting*
13 *program guidelines and selection criteria needed to effectuate or*
14 *implement the programs included in Chapter 2 (commencing with*
15 *Section 91000) to Chapter 9 (commencing with Section 94500),*
16 *inclusive, of this division may be adopted as an emergency*
17 *regulation in accordance with Chapter 3.5 (commencing with*
18 *Section 11340) of Part 1 of Division 3 of Title 2 of the Government*
19 *Code, and for purposes of that chapter, including Section 11349.6*
20 *of the Government Code, the adoption of regulations is an*
21 *emergency and shall be considered by the Office of Administrative*
22 *Law as necessary for the immediate preservation of the public*
23 *peace, health, safety, and general welfare. A state agency shall be*
24 *exempt from the requirement that it describe facts showing the*
25 *need for immediate action.*

26 *(2) Notwithstanding Chapter 3.5 (commencing with Section*
27 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
28 *an emergency regulation adopted pursuant to this subdivision*
29 *shall be filed with, but not be repealed by, the Office of*
30 *Administrative Law, and shall remain in effect until repealed or*
31 *amended by the adopting state agency.*

32 *(f) (1) Notwithstanding subdivision (e), a regulation for the*
33 *purpose of developing and adopting program guidelines and*
34 *selection criteria needed to effectuate or implement the programs*
35 *included in Chapter 2 (commencing with Section 91000) to Chapter*
36 *9 (commencing with Section 94500), inclusive, of this division,*
37 *may be adopted pursuant to this subdivision.*

38 ~~(e)~~

39 (2) Chapter 3.5 (commencing with Section 11340) of Part 1 of
40 Division 3 of Title 2 of the Government Code does not apply to

1 the development and adoption of program guidelines and selection
2 criteria needed to effectuate or implement the programs included
3 in Chapter 2 (*commencing with Section 91000*) to Chapter 9, 9
4 (*commencing with Section 94500*), inclusive, of this division.

5 (3) *Before disbursing grants pursuant to this division, a state*
6 *entity that receives funding to administer a competitive grant*
7 *program, established using the exemption pursuant to this*
8 *subdivision, shall do all of the following:*

9 (A) *Develop draft project solicitation and evaluation guidelines.*

10 (B) *Publish the draft solicitation and evaluation guidelines on*
11 *its internet website for a public comment period of at least 30 days.*
12 *All written public comments received shall be posted on the state*
13 *entity's internet website, unless indicated otherwise by the person*
14 *who provided the written public comment. The state entity shall*
15 *respond to each public comment.*

16 (C) *Offer opportunity for tribal consultation to impacted tribes.*

17 (D) *After completing the requirements contained in*
18 *subparagraphs (A) to (C), inclusive, finalize project solicitation*
19 *and evaluation guidelines.*

20 (E) (i) *Submit the final guidelines to the Secretary of the Natural*
21 *Resources Agency. The Secretary of the Natural Resources Agency*
22 *shall verify that the guidelines are consistent with applicable*
23 *statutes and for all the purposes enumerated in this division. The*
24 *Secretary of the Natural Resources Agency shall post an electronic*
25 *form of the guidelines submitted by a state entity and the*
26 *subsequent verifications on the Natural Resources Agency's*
27 *internet website.*

28 (ii) *The requirement to submit final guidelines to the Secretary*
29 *of the Natural Resources shall not apply to the State Water*
30 *Resources Control Board.*

31 (4) *Notwithstanding paragraph (3), if a state entity, before the*
32 *effective date of the act adding this paragraph, developed and*
33 *adopted project solicitation and evaluation guidelines that comply*
34 *with the requirements of this division for a program described in*
35 *Chapter 2 (commencing with Section 91000) to Chapter 9*
36 *(commencing with Section 94500), inclusive, of this division, the*
37 *use of those guidelines shall constitute compliance with the*
38 *requirements of this subdivision.*

39 SEC. 2. *This act is an urgency statute necessary for the*
40 *immediate preservation of the public peace, health, or safety within*

1 *the meaning of Article IV of the California Constitution and shall*
2 *go into immediate effect. The facts constituting the necessity are:*
3 *Climate change has intensified wildfire risk, drought conditions,*
4 *and threats to safe and reliable drinking water, including impacts*
5 *to farmland and agricultural communities. Immediate effect is*
6 *necessary to prevent increased risks to public health and safety,*
7 *and to allow state agencies to promptly administer and distribute*
8 *funds appropriated pursuant to the Safe Drinking Water, Wildfire*
9 *Prevention, Drought Preparedness, and Clean Air Bond Act of*
10 *2024, approved by the voters as Proposition 4 at the November 5,*
11 *2024, statewide general election, consistent with voter intent, to*
12 *support wildfire resilience, climate adaptation, protection of*
13 *agricultural water resources, and access to safe drinking water.*