



AGENDA
Legislative Advocacy Committee

Wednesday, February 11, 2026 at 10:00 a.m. | *Virtual Meeting*

COMMITTEE MEMBERS	STAFF	<u>Mission Statement</u>
<i>Ian Oglesby – Chair Karen Paull George Riley Marianne Gawain - Alternate</i>	<i>David J. Stoldt, General Manager Sara Reyes, Board Clerk</i>	<p>Sustainably manage and augment the water resources of the Monterey Peninsula to meet the needs of its residents and businesses while protecting, restoring, and enhancing its natural and human environments.</p> <p><u>Vision Statement</u> Model ethical, responsible, and responsive governance in pursuit of our mission.</p> <p><u>Board's Goals and Objectives</u> Are available online at https://www.mpwmd.net/who-we-are/mission-vision-goals/</p>

Join the meeting at:

<https://mpwmd-net.zoom.us/j/86220080671?pwd=c4aw6zaDBfomdWUxNC2fHTtOtntmhD.1>

Webinar ID: **862 2008 0671** | Password: 021126 | To Participate by Phone: **(669) 900-9128**

For detailed instructions on how to connect to the meeting, please click the link below:

<https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/>

Copies of the agenda packet are available for review on the District website (www.mpwmd.net) and at 5 Harris Court, Bldg. G, Monterey, CA.

Call to Order / Roll Call

Additions and Corrections to the Agenda

Comments from Public – *The public may comment on any item within the District's jurisdiction. Please limit your comments to three (3) minutes in length.*

Action Items – *Public comment will be received. Please limit your comments to three (3) minutes per item.*

1. Consider Adoption of Committee Meeting Minutes from November 19, 2025

Discussion Items – *Public comment will be received. Please limit your comments to three (3) minutes per item.*

2. Report from The Ferguson Group on Federal Legislative and Regulatory Activities
3. Report from JEA & Associates on Legislative Status and Bill Tracking

4. Update on Non-Functional Turf (*Verbal Report*)

Suggest Items to be Placed on Future Agendas Adjournment

Accessibility

In accordance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please send a description of the requested materials and preferred alternative format or auxiliary aid or service at least 48 hours prior to the scheduled meeting date/time. Requests should be forwarded to Sara Reyes by e-mail at sara@mpwmd.net or at (831) 658-5610.

Options for Providing Public Comment

Submission of Written Public Comment

Send written comments to District Office, 5 Harris Court, Building G, Monterey, CA or online at comments@mpwmd.net. Include the following subject line: "PUBLIC COMMENT ITEM #" (insert the agenda item number relevant to your comment). Written comments must be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Committee, compiled as part of the record, and placed on the District's website as part of the agenda packet for the meeting. Correspondence is not read during public comment portion of the meeting.

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<https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/>

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LEGISLATIVE ADVOCACY COMMITTEE

ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF COMMITTEE MEETING MINUTES FROM NOVEMBER 19, 2025

Meeting Date: **February 11, 2026**

From: **David J. Stoldt,**
General Manager

Prepared By: **Sara Reyes**

CEQA Compliance: **This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: Attached as **Exhibit 1-A** are the draft minutes of the Legislative Advocacy Committee meeting held on November 19, 2025.

RECOMMENDATION: The Legislative Advocacy Committee should review and adopt the minutes by motion.

EXHIBIT

1-A Draft Minutes of November 19, 2025, Legislative Advocacy Committee Meeting

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EXHIBIT 1-A

Draft Minutes
Legislative Advocacy Committee Meeting
Wednesday, November 19, 2025, at 9:00 a.m.
Meeting Location: Zoom

Call to Order / Roll Call

Director Paull called the meeting to order at 9:11 a.m. and chaired the meeting.

Committee Members Present

Karen Paull
George Riley (Alternate)

Committee Members Absent

Ian Oglesby, Chair
Kate Daniels

District Staff Members Present

David Stoldt, General Manager
Mike McCullough, Assistant General Manager
Sara Reyes, Board Clerk

District Staff Members Absent

None

District Counsel Present

Michael Laredo, De Lay & Laredo

Additions and Corrections to the Agenda

None

Comments from the Public

Director Paull opened the public comment period; however, no members of the public were present.

Action Items

Director Paull introduced this item.

1. Consider Adoption of Committee Meeting Minutes from July 28, 2025

On a motion by Riley, seconded by Paull, the minutes of the July 28, 2025 committee meeting were approved by a vote of 2-0 (Ayes: Riley and Paull; Noes: 0; Absent: Oglesby).

Discussion Items

Director Paull introduced this item.

2. Report from The Ferguson Group on Federal Legislative and Regulatory Activities

Roger Gwinn summarized recent federal actions, including:

- Resolution of the 43-day federal government shutdown through a continuing resolution signed by President Trump, funding agencies at FY 2025 levels through January 30, 2026.
- Impacts of the shutdown, including furloughs and an estimated 1.5% reduction in GDP
- Major components of the legislation: back-pay for federal employees, three appropriations bills, and extensions of the National Flood Insurance Program and Temporary Assistance for Needy Families.

Regulatory and Legislative Update Highlights

- The House Natural Resources Committee may soon advance a bipartisan bill to streamline NEPA.
- Bipartisan efforts are underway to improve disaster assistance programs and restore the Building Resilient Infrastructure and Communities [BRIC] program.
- PFAS regulation and updates to WOTUS remain active regulatory issues.
- The District continues work under Section 219 (Environmental Infrastructure), with expected WRDA changes aimed at improving reimbursement pathways.
- Federal grant releases have slowed due to administrative review, but WaterSmart funding opportunities are anticipated soon, potentially offering \$3-\$5 million for eligible projects.

Chris Cummins reported:

- Work continues on the FY 2026 federal funding package.
- The District's stormwater diversion and recycling project request remains in the Energy and Water Development Bill.
- Senators Padilla and Schiff continue to support the District's \$750,000 appropriation request.
- The Every Drop Counts Act is advancing to a legislative hearing and may be included in a larger water bill.
- Other bills of interest include the FISH Act, H.R. 1871 (Tax Parity Rebate), and cybersecurity training proposals for water systems.
- Western water legislation and WIIN Act reauthorization efforts continue, supporting storage, recharge, and regional partnerships (e.g., Monterey One Water).

3. Report from JEA & Associates on Legislative Status and Bill Tracking

John Arriaga noted:

- The legislature adjourned in September; the governor had until mid-October to sign bills.
- With Proposition 50 resolved, attention turns to the 2026 session beginning January 5.
- Key 2025 themes included fiscal constraints, climate and energy policy, housing and CEQA reform, and infrastructure resilience.

Laurie Johnson reported:

- State revenues exceed projections by approximately \$6 billion for the first four months of the fiscal year, including \$2 billion from delayed Los Angeles-area tax filings
- Revenues could exceed June projections by more than \$20 billion, but a long-term structural deficit persists.
- Disaster-related uncertainties, limited options for cuts, and constitutional limits on reserve access are ongoing concerns.
- Future budget reductions may significantly impact safety-net programs.
- Additional clarity is expected once the 2026 session convenes.

SB 473 (Water Utility Revenue Decoupling) – Update

Johnson reported that MPWMD opposed SB 473, which would expand decoupling mechanisms available to water utilities. MPWMD partnered with the Public Advocates Office in opposing the bill. SB 473 was last heard in the Assembly Appropriations Committee.

4. Review of Legislative Activities in 2025

General Manager Stoldt reported:

- MPWMD was selected as the ACWA Region 5 Outreach Award recipient for 2025.
- The District continues federal engagement, including work with the U.S. Army Corps of Engineers on Environmental Infrastructure (EI) efforts.
- The District participates in efforts related to the Water Conservation Rebate Tax Parity Act.
- The District remains active in ACWA coalitions, including support for SB 454 (PFAS) and water-theft legislation.
- Responsiveness to ACWA requests has strengthened the District's visibility on statewide priorities.

Suggest Items to Be Placed on a Future Agenda

No items were suggested.

Adjournment

Director Paull adjourned the meeting at 10:38 a.m.

/s/ Sara Reyes

Sara Reyes, Board Clerk to the
MPWMD Legislative Advocacy Committee

Approved by the MPWMD Legislative Advocacy Committee on _____.
Received by the MPWMD Board of Director's on _____.
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LEGISLATIVE ADVOCACY COMMITTEE

ITEM: DISCUSSION ITEM

2. REPORT FROM THE FERGUSON GROUP ON FEDERAL LEGISLATIVE AND REGULATORY ACTIVIES

Meeting Date:	February 11, 2026	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	David J. Stoldt	Cost Estimate:	N/A
General Counsel Review: N/A			
Committee Recommendation: N/A			
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.			

SUMMARY: The Ferguson Group will provide an update on activities related to federal legislation and regulatory activities.

EXHIBITS

- 2-A** TFG Federal Quarterly Report
- 2-B** 119th Congress Tracker

Memo



TO: Monterey Peninsula Water Management District

FROM: The Ferguson Group

RE: Federal Legislative Advocacy Committee Report

DATE: February 5, 2026

Quarterly Federal Legislative Report

The Monterey Peninsula Water Management District's (MPWMD) legislative report covers federal legislative and agency activities related to appropriations, the budget, water and natural resources, environmental protection, and other water-related issues.

Executive Summary

Key developments since the November 2025 report:

- **FY 2026 Energy and Water Appropriations enacted:** The E&W bill was signed into law in mid-January, providing \$1.6 billion for the Bureau of Reclamation (11 percent less than approved in FY25) and \$10.4 billion for the Army Corps. The District is requesting approval of funding (up to \$750,000) for the Monterey Peninsula Stormwater Diversion and Recycling Project in the Corps workplan (from within an allocation of \$14.13M nationwide).
- **Partial government shutdown averted:** After an 11-week weekend shutdown affecting some agencies, Congress passed a five-bill minibus plus a two-week DHS extension. All remaining FY 2026 appropriations are now enacted or covered on a short-term basis.
- **Major western water legislation introduced:** Senator Padilla introduced S. 3738, the MORE WATER Act, a comprehensive package reauthorizing large-scale water recycling, creating a new conveyance program, and extending WIIN Act recycling and environmental restoration authorities. A Senate ENR hearing is expected mid-February (see below).
- **Storage Reauthorization Act:** Senator Gallego introduced legislation to reauthorize and expand the Small Storage Program and create a new Natural Water Retention and Release Project Grants program.
- **Large-Scale Water Recycling Reauthorization Act:** Bipartisan legislation introduced by Senators Cortez Masto (D-NV) and Curtis (R-UT) would extend the \$450 million large-scale recycling program through 2032.
- **Sites Reservoir approved:** The Trump Administration formally approved California's Sites Reservoir, unlocking \$780+ million in committed federal funding.
- **D.C. Circuit denies EPA PFAS rule rollback:** The court rejected the Administration's request to immediately vacate four PFAS drinking water limits, keeping all six standards in effect during litigation.
- **Permitting reform stalled:** Bipartisan negotiations paused as Senate Democrats object to Administration actions against renewable energy projects.

- **WRDA 2026 timeline:** Request portals now open (House and Senate deadlines Feb. 6); formal committee action expected May-June 2026; District's Section 219 reimbursement amendment remains a priority and has been submitted to Rep. Panetta and Senators Padilla and Schiff.
- **Senate ENR hearing confirmed for February 24:** Nearly 20 western water bills are expected to be considered, including storage, recycling, and conveyance legislation.

Top Federal Developments

1. FY 2026 Energy and Water Development Appropriations Enacted

What happened: Congress passed, and President Trump signed the FY 2026 Energy and Water Development Appropriations bill as part of a three-bill minibus in mid-January. The Army Corps of Engineers received \$10.4 billion (an increase of \$1.8 billion over FY 2025), and the Bureau of Reclamation received \$1.6 billion (a decrease of \$286 million from FY 2025, but \$400 million above the Administration's request). Earmarks for the Corps and Reclamation were included in the final package.

MPWMD relevance: Senators Padilla and Schiff requested \$750,000 for the Monterey Peninsula Stormwater Diversion and Recycling Project under the Corps' Environmental Infrastructure, Section 219, program. The Corps is required to produce a work plan within 60 days of enactment (on or before March 24, 2026) that allocates funds, including for Environmental Infrastructure projects. The District is seeking an allocation of funding from within the \$14.13 million in discretionary EI funds available nationwide.

Recommended action: Outreach to the Corps' San Francisco District Office to seek inclusion of the MPWMD's priority project in the workplan; request Rep. Panetta and Senators Padilla and Schiff to request approval of funding for Monterey in its workplan; monitor Corps workplan release.

2. MORE WATER Act Introduced (S. 3738)

What happened: Senator Alex Padilla introduced the Making Our Communities Resilient through Enhancing Water for Agriculture, Technology, the Environment, and Residences (MORE WATER) Act. This comprehensive western water bill includes: (1) Reauthorization of the large-scale water recycling program through 2031 with \$450 million authorized for FY2028-2032; (2) Creation of a new Water Conveyance Improvement Program with up to 50% federal cost-share and \$500 million authorized for FY2028-2032; (3) Reauthorization of WIIN Act water recycling (Section 4009(c)) with an increased per-project cap of \$50 million (up from \$30 million); (4) Reauthorization of environmental restoration programs (Section 4010) with \$250 million for habitat restoration including Great Salt Lake and salmon recovery west wide; and (5) A process to deauthorize inactive Bureau of Reclamation projects as an offset mechanism.

MPWMD relevance: The bill creates significant new funding pathways for MPWMD priorities, including groundwater recharge, water recycling partnerships with Monterey One Water, conveyance improvements, and conjunctive use projects. The increased Title XVI recycling project cap (\$50M vs. \$30M) and the new conveyance program are directly relevant to District infrastructure needs.

Recommended action: TFG will draft, for Committee consideration, a letter of support to Senator Padilla by the end of February (Senate ENR Water and Power Subcommittee hearing confirmed for February 24, 2026).

3. Storage Reauthorization Act (Gallego Bill)

What happened: Senator Ruben Gallego (D-AZ) introduced the Storage Reauthorization Act (includes Senate version of Rep. Costa's Every Drop Counts Act), which would: (1) Reauthorize and expand the Small Storage Program under BIL Section 40903 from 5 to 10 years; (2) Expand groundwater recharge eligibility to projects with 200 to 150,000 acre-feet capacity on an average annual basis; (3) Authorize \$20 million annually for FY2027-2033; and (4) Create a new Natural Water Retention and Release Project Grants program with \$15 million annually for FY2027-2031 (up to 90% federal cost-share) for projects using natural materials and processes to increase water availability through aquifer recharge, floodplain retention, and timing alterations.

MPWMD relevance: Both the expanded Small Storage Program and the new Natural Water Retention grants could support District aquifer storage and recovery projects, stormwater capture, and groundwater recharge initiatives.

Recommended action: TFG will track legislative progress and work with District staff to evaluate District project eligibility and benefits under the expanded criteria. House Natural Resources Chair Bruce Westerman (R-AR) is pushing to bring bipartisan legislation that would overhaul permitting reviews for new energy and infrastructure projects to the House floor before the year's end. The SPEED Act would ease permitting reviews and limit legal challenges for projects under the National Environmental Policy Act.

4. Large-Scale Water Recycling Reauthorization Act

What happened: Senators Catherine Cortez Masto (D-NV) and John Curtis (R-UT) introduced legislation to extend the five-year large-scale water recycling program created in the Bipartisan Infrastructure Law through 2032. The current \$450 million program expires after FY2026. A House companion (H.R. 6204) was introduced by Rep. Susie Lee (D-NV) and Rep. Juan Ciscomani (R-AZ) in the fall of 2025.

MPWMD relevance: Program extension ensures continued availability of federal support for large-scale water reuse projects in partnership with Monterey One Water and other regional partners. Note: The MORE WATER Act also reauthorizes this program, potentially creating complementary legislative vehicles.

Recommended action: TFG will track both vehicles and coordinate support with ACWA and others. Timing: Ongoing.

5. D.C. Circuit Keeps PFAS Drinking Water Standards in Effect

What happened: The D.C. Circuit denied EPA's request to immediately vacate four PFAS limits in the Biden-era drinking water rule, keeping all six standards in place during ongoing litigation. The court found the legal merits for vacating the standards were not sufficiently clear. States and water utilities must continue preparing to meet existing monitoring and compliance timelines.

MPWMD relevance: Water systems in the District's service area will continue PFAS monitoring and compliance planning. Regulatory uncertainty persists, but current standards remain enforceable.

Recommended action: TFG will monitor PFAS-related legislative and litigation developments. Timing: Ongoing.

6. Sites Reservoir Receives Federal Approval

What happened: The Trump Administration formally approved California's Sites Reservoir, clearing a major regulatory hurdle and enabling federal funding of up to 25% of the project's costs. The decision unlocks \$780 million already committed to the project and aligns the Administration with Governor Newsom on California water infrastructure.

MPWMD relevance: While Sites Reservoir is located outside MPWMD's service area, increased northern California storage capacity will benefit statewide water supply reliability and set a precedent for federal support of California storage projects.

Recommended action: No immediate action is required.

Congressional Landscape

Key Committees and Dynamics

Senate Energy and Natural Resources Committee: Chair Mike Lee (R-UT) and Ranking Member Martin Heinrich (D-NM) are advancing a bipartisan agenda on western water. The Water and Power Subcommittee will hold a legislative hearing on February 24, 2026, which is expected to include nearly 20 bills addressing storage, recycling, conveyance, and environmental programs. Request portals for WRDA 2026 are now open (as of the date of this report) with House and Senate deadlines of February 6.

Senate Environment and Public Works Committee: Chair Shelley Moore Capito (R-WV) and Ranking Member Sheldon Whitehouse (D-RI) held a hearing on permitting reform, but bipartisan negotiations remain stalled over disputes regarding the Administration's actions on renewable energy. An EPW hearing this week will address cybersecurity threats to water utilities. PFAS policy remains a focus area.

House Natural Resources Committee: Chair Bruce Westerman (R-AR) continues to push permitting reform (SPEED Act). Ranking Member Jared Huffman (D-CA) has been active on water legislation, including the Water Conservation Rebate Tax Parity Act. Rep. Celeste Maloy (R-UT) was elected chair of the Congressional Western Caucus following Rep. Doug LaMalfa's (R-CA) death.

House Transportation and Infrastructure Committee: FEMA Reform Act (H.R. 4669) expected to advance to floor vote in 2026. Surface Transportation Reauthorization discussions are underway, with the DOT issuing an RFI on policy and program changes.

California Delegation

Senator Alex Padilla continues leading on western water issues as the sponsor of the MORE WATER Act and a key advocate for California water infrastructure, including the District's earmark request. Senator Adam Schiff serves on the Senate Environment and Public Works Committee. Both senators have formally requested funding for the District's Monterey Peninsula Stormwater Diversion and Recycling Project.

Agency Landscape

Bureau of Reclamation

FY 2026 funding provides \$1.6 billion (a decrease of \$286 million from FY 2025, but \$400 million above the Administration's request). Key program allocations include: WaterSMART Grants (\$15 million, down \$39 million from FY25); Title XVI Water Recycling (\$12.5 million, down \$17.5 million); WIIN Water Storage Projects (\$62.5 million); Drought Response (\$5 million, down \$25 million); Cooperative Watershed Management (\$6 million); and Environmental Restoration/Compliance (\$5 million, down \$23 million). Reclamation released the draft EIS for post-2026 Colorado River operations. Acting Commissioner Scott Cameron continues to lead the agency.

Army Corps of Engineers

FY 2026 funding of \$10.4 billion represents a significant increase. The Corps' workplan allocating Environmental Infrastructure and other funds is expected within 60 days of enactment (March 24, 2026). The Corps renewed its nationwide permit program for five years with streamlined permits for data centers and a new permit category for fish passage projects.

Environmental Protection Agency

EPA received \$8.8 billion in FY 2026 (a \$300 million reduction from FY25 but \$4.7 billion above the Administration's request). Clean Water SRF received \$1.64 billion, and Drinking Water SRF received \$1.13 billion. The agency proposed narrowing the Clean Water Act Section 401 certification authority and is defending PFAS drinking water standards in court. Recent Senate confirmations include Jeffrey Hall (enforcement office) and Douglas Troutman (chemicals office). Dr. Timothy Petty was confirmed as Commerce Assistant Secretary overseeing NOAA and NMFS.

Council on Environmental Quality

CEQ finalized the repeal of government-wide NEPA implementing regulations, shifting responsibility to individual agencies. The new "CE Works" digital pilot program aims to expand the use of categorical exclusions. A federal court in Oregon struck down the USFS categorical exclusion CE-6 for logging projects, signaling continued judicial scrutiny of categorical exclusions.

Funding and Legislative Vehicles Tracker (Highlights)

Program/Vehicle	Purpose	Status	Next Step	MPWMD Relevance
FY26 E&W Appropriations	Corps EI funding for Stormwater project	Enacted	Corps workplan (Mar)	High: \$750K request pending workplan

MORE WATER Act (S. 3738)	Recycling, conveyance, WIIN reauthorization	Introduced	ENR hearing (mid-Feb)	High: Multiple program opportunities
Storage Reauth Act (Gallego)	Small storage, natural retention grants	Introduced	ENR hearing (mid-Feb)	Medium: ASR, groundwater recharge
Large-Scale Recycling Reauth	Extend the IIJA recycling program to 2032	Introduced	Committee review	Medium: Regional recycling projects
WRDA 2026	Sec 219 reimbursement amendment	Not yet intro	Committee (May-Jun)	High: Priority District amendment
Every Drop Counts Act	Expand Reclamation small storage	Hearing held	Markup TBD	Medium: Groundwater projects

Risks, Opportunities, Watch List

Opportunities

- MORE WATER Act creates multiple new funding pathways for District priorities (recycling, conveyance, groundwater recharge).
- Gallego Storage Reauthorization Act Natural Water Retention grants offer 90% federal cost-share for nature-based water projects.
- Corps workplan opportunity for MPWMD EI request.
- WRDA 2026 provides an opportunity to secure Section 219 reimbursement authority.
- Bipartisan support for water infrastructure and storage remains strong in Congress.

Risks

- Permitting reform stalemate could delay or complicate project approvals if broader impasse affects water infrastructure legislation.
- PFAS regulatory uncertainty continues; utilities face compliance planning challenges while litigation proceeds.
- Midterm election dynamics may compress the legislative calendar in the second half of 2026.
- Bureau of Reclamation funding reductions (\$286M below FY 2025) may affect program availability, WaterSMART grants, etc.
- Continued staff shortages and departmental-level review of significant funding requests and awards continue to bog down decision-making at BOR and Interior

Watch List

- Senate ENR Water and Power Subcommittee hearing (February 24, 2026): Nearly 20 western water bills, including storage, recycling, and conveyance legislation.
- Corps of Engineers FY 2026 workplan release (expected mid-March).
- Second reconciliation package: Republicans weighing whether to pursue before midterms.

Decisions Needed

1. Letter of support for MORE WATER Act: The Committee should consider authorizing a letter to Senator Padilla expressing support for S. 3738 and highlighting specific District projects that could benefit from the bill's programs. Recommended timing: Before the mid-February ENR hearing.

2. FY 2027 earmark request strategy: With FY 2026 appropriations now complete, the Committee should discuss priorities. TFG and District staff have discussed submitting a similar request to the FY 26 earmark request (Monterey Peninsula Stormwater Diversion and Recycling Project). Deadlines for submitting FY 2027 congressionally directed spending/community project funding requests are expected in mid-March.

Immediate Next Steps

- Monitor Corps of Engineers workplan release for confirmation of \$750,000 Stormwater project funding (TFG, by mid-March); follow up with congressional delegation on communications with the Corps regarding workplan discussions; and District follow-up with the Corps SF District Office regarding workplan funding for EI.
- Draft letter of support for MORE WATER Act for Committee consideration (TFG, by February 20, 2026).
- Track Senate ENR Water and Power Subcommittee hearing on storage bills (TFG, February 24, 2026).
- Coordinate with ACWA and other California water agencies on western water legislation support (TFG/Staff, ongoing).
- Submit WRDA 2026 requests through congressional offices (TFG completed; District submitted official request to congressional delegation)
- Continue engagement with congressional offices on WRDA 2026 Section 219 reimbursement amendment (TFG, ongoing with target of May-June committee consideration).
- Identify specific District projects eligible under MORE WATER Act and Storage Reauthorization Act programs (TFG to consult with District Staff).
- Begin FY 2027 earmark request planning with congressional offices (TFG/Staff, Feb-March).
- Continue monitoring PFAS legislation and regulatory developments (TFG, ongoing).

EXHIBIT 2-B**MPWMD 119th Legislative Tracker**

Last Updated: February 4, 2026

Overview: The following legislative tracker provides the status of legislation introduced in the 119th Congress pertaining to water issues.

Each of the bill numbers is hyperlinked to the bill text, and other related details.

Bill Number: HR 2766	Last Action: Apr 09, 2025 - Referred to the House Committee on Oversight and Government Reform.	Status: Introduced
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Bill Title: Special District Fairness and Accessibility Act	Bill Summary: To require the Director of the Office of Management and Budget to issue guidance to agencies requiring special districts to be recognized as local government for the purpose of Federal financial assistance determinations.
Sponsor: Pat Fallon	Introduction Date: Apr 09, 2025

Bill Number: HR 3035	Last Action: Apr 28, 2025 - Referred to the Subcommittee on Water Resources and Environment.	Status: Introduced
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Bill Title: Restoring WIFIA Eligibility Act	Bill Summary: To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.
Sponsor: Jim Costa	Introduction Date: Apr 28, 2025

Bill Number: HR 1235	Last Action: Feb 12, 2025 - Referred to the Subcommittee on Highways and Transit.	Status: Introduced
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Bill Title: Federal Infrastructure Bank Act of 2025	Bill Summary: To establish the Federal Infrastructure Bank to facilitate investment in, and the long-term financing of, economically viable United States infrastructure projects that provide a public benefit, and for other purposes.
Sponsor: Daniel Webster	Introduction Date: Feb 12, 2025

Bill Number: HR 132	Last Action: Jan 03, 2025 - Referred to the House Committee on Natural Resources.	Status: Introduced
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Bill Title: Western Water Accelerated Revenue Repayment Act	Bill Summary: To amend the Water Infrastructure Improvements for the Nation Act to extend certain contract prepayment authority.
Sponsor: Lauren Boebert	Introduction Date: Jan 03, 2025

Bill Number: HR 337	Last Action: Jan 13, 2025 - Referred to the House Committee on Natural Resources.	Status: Introduced
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Bill Title: To provide technical and financial assistance for groundwater recharge, aquifer storage, and water source substitution projects.	Bill Summary: To provide technical and financial assistance for groundwater recharge, aquifer storage, and water source substitution projects.
Sponsor: Jim Costa	Introduction Date: Jan 13, 2025

Bill Number: HR 1871	Last Action: Mar 05, 2025 - Referred to the House Committee on Ways and Means.	Status: Introduced
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Bill Title: Water Conservation Rebate Tax Parity Act	Bill Summary: To amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures, storm water management measures, and wastewater management measures.
Sponsor: Jared Huffman	Introduction Date: Mar 05, 2025

Bill Number: HR 1894	Last Action: Mar 06, 2025 - Referred to the House Committee on Natural Resources.	Status: Introduced
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Bill Title: FISH Act of 2025 Federally Integrated Species Health Act of 2025	Bill Summary: To amend the Endangered Species Act of 1973 to vest in the Secretary of the Interior functions under that Act with respect to species of fish that spawn in fresh or estuarine waters and migrate to ocean waters and species of fish that spawn in ocean waters and migrate to fresh or estuarine waters, and for other purposes.
Sponsor: Ken Calvert	Introduction Date: Mar 06, 2025

Bill Number: S 1760	Last Action: May 14, 2025 - Read twice and referred to the Committee on the Budget.	Status: Introduced
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Bill Title: Restoring WIFIA Eligibility Act of 2025	Bill Summary: A bill to amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.
Sponsor: John Curtis	Introduction Date: May 14, 2025

Bill Number: HR 338	Last Action: Nov 19, 2025 - Subcommittee Hearings Held	Status: Introduced
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Bill Title: Every Drop Counts Act	Bill Summary: To amend the Infrastructure Investment and Jobs Act to increase surface water and groundwater storage, and for other purposes.
Sponsor: Jim Costa	Introduction Date: Jan 13, 2025

LEGISLATIVE ADVOCACY COMMITTEE

ITEM: DISCUSSION ITEM

3. REPORT FROM JEA & ASSOCIATES ON LEGISLATIVE STATUS AND BILL TRACKING

Meeting Date: **February 11, 2026** **Budgeted:** **N/A**

From: **David J. Stoldt,
General Manager** **Program/
Line Item No.:** **N/A**

Prepared By: **David J. Stoldt** **Cost Estimate:** **N/A**

General Counsel Review: **N/A**

Committee Recommendation: **N/A**

CEQA Compliance: **This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: JEA & Associates will provide an update on activities related to California legislation and regulatory activities, as described in **Exhibit 3-A** and **Exhibit 3-B** bill tracker.

EXHIBITS

3-A JEA Legislative Activity Memo

3-B California Legislature Tracker

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Date: February 4, 2026

To: Dave Stoldt, General Manager, Monterey Peninsula Water Management District

From: John E. Arriaga and Laurie Johnson, JEA & Associates

RE: Legislative Committee – February 11, 2026

The Legislature has reconvened for the second year of a two-year session in early January. With legislators scrambling to move their bills from last year to make the “bill of origin” deadline, advocates are lobbying their issues to be one of the 2000+ bills introduced before the February 20th deadline. Like in previous years, bills pertaining to housing, homelessness and climate resiliency will be plentiful, but we are seeing issues like artificial intelligence, immigration and affordability emerging as key priorities for the Legislature. The real test for these 120 representatives, especially the 29 freshman legislators, is how they will navigate concerning federal policies at the state-level and a growing structural deficit in an election year.

Leadership change is also underway within the Legislature. New Senate President pro Tempore Monique Limón announced her new leadership team and policy committee chairs right before the holiday break. One of the biggest changes that affect Salinas, is that Senator Laird was named Chair of the Senate Budget Committee. This year also marks the final year of Governor Newsom’s term, with significant attention focused on the gubernatorial election as it takes shape. In addition, advocacy and interest groups are actively organizing and collecting signatures for several ballot initiatives that will appear before voters in November. These measures have the potential to increase pressure on lawmakers, as the prospect of legislative negotiations versus campaign-driven outcomes remains a key consideration. JEA & Associates will continue to monitor these initiatives as they qualify for the ballot and report back to the Legislative Committee.

Budget Update

Governor Newsom’s 2026–27 budget proposal, his final one in office, is being shaped by a significant projected deficit, optimistic revenue assumptions, and policy priorities that

include education governance reform, bolstering reserves/pension funding, and continued support for social services. The detailed spending plan and how it reconciles the deficit will become clearer as the Legislature reviews and amends the proposal in the coming months.

The Legislative Analyst's Office (LAO) 2026–27 outlook indicates that California's economy continues to face challenges, including high interest rates and new tariffs, despite currently strong tax revenues. Much of the recent revenue growth has been driven by enthusiasm around artificial intelligence, which has contributed to rising stock prices and increased revenues in the technology sector. However, the LAO suggests this growth may not be sustainable, and uncertainty remains regarding future stock market performance. As a result, revenue forecasts assume only a temporary boost rather than long-term gains. Even with this cautious approach, the state is projected to face a budget shortfall of nearly \$18 billion in 2026-27, with deficits expected to increase in subsequent years. Ongoing spending requirements and rising program costs continue to outpace revenue growth, leaving the state's budget in a weaker position and less prepared for any economic downturn.

Details:

- \$349 billion budget - \$248 billion is General Fund
- The Administration projects a \$2.9 billion deficit, which is significantly lower than the LAO's of \$18 billion. The Governor's optimistic divergence from the LAO assumes strong stock-market related tax revenue and other economic performance drivers.
- Reserves from all accounts stand in the range of \$35-37 billion.

Main Takeaways:

- The Governor is presenting a tight budget with minimal room for new funding.
- The size of the deficit is very dependent on economic assumptions.
- While the reserves are significant, they are limited.

Major Policy Areas:

- Education
 - Maintains Prop 98 funding for K-12 and community colleges.
 - Proposes restructuring education governance to improve coordination from early childhood through higher education.
 - Focus on student nutrition and mental health supports.
- Health & Human Services
 - Preserves Medi-Cal and safety-net programs, though cost pressures remain a major concern.
 - Signals tighter oversight and future reforms rather than large funding expansions.

- Homelessness
 - Continues funding but with greater accountability expectations for local governments.
 - Shifts away from new one-time grants toward performance-based approaches.
- Climate & Infrastructure
 - Slows climate and infrastructure spending by delaying or stretching out projects, not eliminating them.
 - Protects long-term climate commitments where possible.
- Fiscal Management
 - Utilizes the Rainy-Day Fund to soften cuts.
 - Pays down a portion of state pension liabilities to reduce long-term costs.
 - Emphasizes multi-year budget planning to avoid sharper cuts later.

In the Department of Finance's 200+ page summary, there were little details and it is extremely vague, thus only providing a beginning negotiating framework with the Legislature and stakeholders. However, what was clear is that this document highlighted the accomplishments of the Administration over his last two-terms and continued the Governor's multiple-year budget strategy.

Proposition 4

The 2026-27 proposed budget includes \$2.1 billion, which primarily is backfilling the General Fund to continue climate resiliency and water-related programs. Specifically:

- Safe Drinking Water, Drought, Flood & Water Resilience - \$792 million
 - Flood upgrades.
 - Drinking water infrastructure (priority for small and underserved communities).
 - Water conveyance and repair projects.
- Wildfire & Forest Resilience - \$314 million
 - Includes local fire prevention grants and hazardous fuels reduction work in fire-threatened communities.
- Coastal Resilience - \$107 million – Strengthen coastal areas against climate impacts.
- Extreme Heat Mitigation - \$241 million – Projects to reduce heat impacts in vulnerable communities.
- Biodiversity & Nature-Based Solutions - \$199 million – Conservation and habitat restoration.
- Climate Smart Agriculture - \$89 million – Support for agriculture that adapts to climate risks.
- Clean Air & Energy - \$326 million – Investments in clean energy and air quality projects.
- Outdoor Access - \$35 million – Park and outdoor access enhancements.

Both Houses have convened their Budget Sub-Committees to consider, not only the Governor's proposed budget, but to put forth their priorities. The Legislature has until June 15th to send a balanced budget to the Governor, who then has until June 30th to act upon it.

Legislative Update

Bill introductions have been occurring for one month already and we have yet to see a considerable number of introductions. However, we anticipate this to change dramatically as we approach the bill introduction deadline on February 20th. (*Legislative Track Attached*)

One area that JEA & Associates is monitoring closely is the reintroduction of last year's SB 473 (Padilla), which would have decoupled water rates. Through our compelling advocacy materials, strategic and strong lobbying, MPWMD, along with the PUC's Public Advocates Office, were able to essentially kill this "Goliath" of a bill that had over 45 statewide and local entities in support, including the California Chamber of Commerce, numerous water agencies including Cal-AM and a number of statewide unions.

MPWMD is still trying to clarify language in AB 1572 (Friedman – CH. 2023) regarding enforcement authority over non-functional turf. More discussion on this topic will be covered in Agenda Item 4 of this Committee meeting.

Cease & Desist Order

The General Manager will provide details.

EXHIBIT 3-B**MPWMD Legislative Track****As of February 4, 2026**

Measure	Author	Topic	Status	Summary	Notes
<u>AB 34</u>	<u>Patterson R</u>	California Renewables Portfolio Standard Program: local publicly owned electric utilities: large hydroelectric generation.	1/27/2026-In Senate. Read first time. To Com. on RLS. for assignment.	Under existing law, the California Renewables Portfolio Standard Program requires retail sellers and local publicly owned electric utilities to procure a minimum quantity of electricity products from eligible renewable energy resources during certain compliance periods up to December 31, 2030. Existing law provides that a local publicly owned electric utility is not required to procure a certain amount of eligible renewable energy resources if, during a year within those compliance periods, the local publicly owned electric utility receives more than 40% of its retail sales from large hydroelectric generation under an ownership agreement or contract in effect as of January 1, 2018. Existing law authorizes the State Energy Resources Conservation and Development Commission (Energy Commission) to establish appropriate multiyear compliance periods for local publicly owned electric utilities beyond December 31, 2030. This bill would provide that the provision related to the procurement of eligible renewable energy resources by local publicly owned electric utilities also applies to the compliance periods established by the Energy Commission.	
<u>AB 35</u>	<u>Alvarez D</u>	Safe Drinking Water, Wildfire Prevention, Drought Preparedness,	1/27/2026-In Senate. Read first time. To Com. on	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	CMUA and Monterey One in support

		<p>and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.</p>	<p>RLS. for assignment.</p>	<p>(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, 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</p>	
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					program guidelines and selection criteria for these purposes, as provided. This bill contains other related provisions and other existing laws.	
AB 269	<u>Bennett</u> D	Dam Safety and Climate Resilience Local Assistance Program.	2/2/2026- From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.		Existing law provides for the regulation and supervision of dams and reservoirs by the state, and requires the Department of Water Resources, under the police power of the state, to supervise the construction, enlargement, alteration, repair, maintenance, operation, and removal of dams and reservoirs for the protection of life and property, as prescribed. Existing law requires the department to, upon appropriation by the Legislature, develop and administer the Dam Safety and Climate Resilience Local Assistance Program to provide state funding for repairs, rehabilitation, enhancements, and other dam safety projects at existing state jurisdictional dams and associated facilities that were in service prior to January 1, 2023, subject to prescribed criteria. This bill would include the removal of project facilities as additional projects eligible to receive funding under the program.	
AB 295	<u>Macedo</u> R	California Environmental Quality Act: environmental leadership development projects: water storage, water conveyance, and groundwater recharge projects: streamlined review.	2/2/2026- From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.		The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that the lead agency proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA establishes a procedure by which a person may seek judicial review of the decision	

					of the lead agency made pursuant to CEQA. The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 authorizes the Governor, until January 1, 2032, to certify environmental leadership development projects that meet specified requirements for certain streamlining benefits related to CEQA. The act, among other things, requires a lead agency to prepare the record of proceedings for an environmental leadership development project, as provided, and to provide a specified notice within 10 days of the Governor certifying the project. The act is repealed by its own term on January 1, 2034. This bill would extend the application of the act to water storage projects, water conveyance projects, and groundwater recharge projects that provide public benefits and drought preparedness. Because a lead agency would be required to prepare the record of proceedings for water storage projects, water conveyance projects, and groundwater recharge projects pursuant to the act, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.	
AB 990	<u>Hadwick R</u>	Public water systems: emergency notification plan.	9/11/2025- Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 6/30/2025) (May be acted upon	Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting enforcement regulations, and conducting studies and investigations to assess the quality of domestic water wells. Existing law prohibits a person from operating a public water system without an emergency notification plan that has been submitted to and approved by the state board. Existing		

			Jan 2026)	law requires the emergency notification plan to provide for immediate notice to the customers of the public water system of any significant rise in the bacterial count of water or other failure to comply with any primary drinking water standard that represents an imminent danger to the health of the water users. This bill would authorize and encourage a public water system to provide notification to water users in their preferred language when updating the emergency notification plan, if resources are available.	
AB 1203	<u>Ahrens D</u>	Water conservation: water wise designation.	2/2/2026- From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	Existing law requires the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water and performance measures for commercial, industrial, and institutional water use (CII water use), among other water uses, before June 30, 2022. Existing law requires the department, in coordination with the board, to conduct necessary studies and investigations and make recommendations, no later than October 1, 2021, for purposes of those standards and performance measures for CII water use. This bill would require the department and the Office of Community Partnerships and Strategic Communications to include, within the Save Our Water Campaign, a statewide “water wise” designation to be awarded to businesses in the CII sector that meet or exceed the recommendations for CII water use best management practices pursuant to those performance measures.	
AB 1367	<u>Gallagher R</u>	The California Water Plan: water storage.	2/2/2026- From committee: Filed with the Chief Clerk	Existing law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state. This plan is known as The California Water Plan. This bill would require the	

			pursuant to Joint Rule 56.	department to amend The California Water Plan to state that water storage is the preferred method to be used by the state to meet increased water demands by urban, agricultural, and environmental interests.	
AB 1548	<u>Pellerin</u> D	The Monterey Bay Area Stewardship Authority.	1/8/2026- From printer. May be heard in committee February 7.	Existing law establishes various entities for specified purposes over specific geographic areas of the state, including the San Francisco Bay Restoration Authority and Tahoe Regional Planning Agency, among others. This bill would state the intent of the Legislature to enact subsequent legislation that would establish the Monterey Bay Area Stewardship Authority, as specified. The bill would also make related findings and declarations.	
AB 1677	<u>Boerner</u> D	Public utilities: affordability.	2/2/2026- Read first time. To print.	Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law authorizes the commission to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. This bill would state the intent of the Legislature to enact future legislation to require electrical corporations and gas corporations to reduce ratepayer bills by 25%.	
AB 1678	<u>Harabedian</u> D	Public utilities.	2/2/2026- Read first time. To print.	Existing law authorizes the Public Utilities Commission to supervise and regulate every public utility in the state, as specified. This bill would make nonsubstantive changes to that authorization.	
SB 327	<u>McNerney</u> D	Public utilities: review of accounts: electrical and gas corporations: rates: political influence	1/27/2026- Read third time. Passed. (Ayes 31. Noes 9.) Ordered to the	Existing law authorizes the Public Utilities Commission to fix the rates and charges for public utilities, including electrical corporations and gas corporations, and requires those rates and charges to be just and reasonable. Under existing law, a regulated public utility is prohibited from using ratepayer funds for advocacy-related activities that are political or do not otherwise benefit ratepayers. Existing law prohibits each electrical	

		activities.	Assembly. Motion to reconsider made by Senator McNerney. Reconsideration granted. (Ayes 40. Noes 0.) Read third time. Passed. (Ayes 30. Noes 10.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.	corporation or gas corporation from recording to an above-the-line account, or otherwise recovering from ratepayers, direct or indirect costs of specified activities. This bill would additionally prohibit, except as provided, each electrical corporation or gas corporation from recording to an above-the-line account, or otherwise recovering from ratepayers, the direct or indirect costs of activities related to opposing the municipalization of electrical or gas utility service, as specified. This bill contains other related provisions and other existing laws.	
SB 599	<u>Caballero D</u>	Atmospheric rivers: research; forecasting methods; experimental tools.	9/11/2025- Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/10/2025)	Existing law establishes the Atmospheric Rivers Research and Forecast Improvement Program: Enabling Climate Adaptation Through Forecast-Informed Reservoir Operations and Hazard Resiliency (AR/FIRO) Program in the Department of Water Resources. Existing law requires the department to operate reservoirs in a manner that improves flood protection, and to reoperate flood control and water storage facilities to capture water generated by atmospheric rivers. Existing law requires the department to research, develop, and implement new observations,	

			(May be acted upon Jan 2026)	<p>prediction models, novel forecasting methods, and tailored decision support systems to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris flows, and environmental conditions. This bill would, for novel forecasting methods researched, developed, and implemented by the department, require the department to include the use of experimental tools that produce seasonal and subseasonal atmospheric river forecasts, as defined.</p>	
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Total Measures: 12

Total Tracking Forms: 12