



AGENDA
Legislative Advocacy Committee

Wednesday, September 2, 2026 at 9:00 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 Mike McCullough, Assistant General Manager Sara Reyes, Board Clerk</i>	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. <u>Vision Statement</u> Model ethical, responsible, and responsive governance in pursuit of our mission. <u>Board's Goals and Objectives</u> Are available online at https://www.mpwmd.net/who-we-are/mission-vision-goals/

Join the meeting at:

<https://mpwmd-net.zoom.us/j/81609777689?pwd=jkLSczpsTmH4O0vJcXl8TD8GYrkddI.1>

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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 May 26, 2026

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 SB 1139
5. Update on the Applied Science Bureau of Reclamation Grant (*Verbal Report*)
6. Discuss AB 2180 and SB 875 Outcomes

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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LEGISLATIVE ADVOCACY COMMITTEE

ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF COMMITTEE MEETING MINUTES FROM MAY 26, 2026

Meeting Date: September 2, 2026

From: David J. Stoldt,
General Manager

Prepared By: Sara Reyes

SUMMARY: Exhibit 1-A contains the draft minutes from the Legislative Advocacy Committee meeting held on May 26, 2026.

RECOMMENDATION: Staff recommends that the Legislative Advocacy Committee review and adopt by motion the draft minutes from its May 26, 2026 meeting.

EXHIBIT

1-A Draft Minutes of the May 26, 2026 Legislative Advocacy Committee Meeting



EXHIBIT 1-A

Draft Minutes Legislative Advocacy Committee Meeting Tuesday, May 26, 2026 at 8:30 a.m. Meeting Location: Zoom

Call to Order / Roll Call

Chair Oglesby called the meeting to order at 8:30 a.m.

Committee Members Present

Ian Oglesby, Chair
Karen Paull
George Riley

Committee Members Absent

None

District Staff Members Present

David Stoldt, General Manager
Mike McCullough, Assistant General Manager

District Staff Members Absent

Sara Reyes, Board Clerk

District Counsel Present

Michael Laredo, De Lay & Laredo

Additions and Corrections to the Agenda

None

Comments from the Public

No members of the public were present.

Action Items

Chair Oglesby introduced this item.

1. Consider Adoption of Committee Meeting Minutes from February 11, 2026

On a motion by Paull, seconded by Riley, the minutes of the February 11, 2026 committee meeting were approved by a vote of 3 Ayes (Oglesby, Riley and Paull), and 0 Noes.

Discussion Items

Chair Oglesby introduced this item.

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

Roger Gwinn presented the second quarterly federal legislative update for 2026, noting that the District's stormwater and Seaside well monitoring projects were not included in FY26 and FY27 requests due to an emphasis on shovel-ready projects. He highlighted ongoing coordination with congressional offices, potential competitive grant opportunities, and planning for FY28.

Mr. Gwinn also reported improvement in WaterSmart funding and noted that the program supports water-use efficiency projects, with continued federal interest in groundwater investments. The presentation is available on the District's website.

Chris Cummins reviewed key federal legislative updates, including bills affecting Endangered Species Act oversight, groundwater recharge funding, and water infrastructure. He highlighted the More Water Act’s support for recycling and conveyance projects, and provided updates on the WRDA process and potential WIFIA loan term extensions..

Chris Kearney reported that the administration is reviewing certain PFAS regulations and seeking public comment. He highlighted EPA infrastructure funding opportunities, noted extended compliance timelines, and discussed ongoing considerations around “passive receiver” liability. He added that federal water funding is expected to remain stable despite proposed budget reductions.

Roger Gwinn noted potential opportunities tied to a possible third congressional reconciliation package, which could provide additional funding for drought response and water-related projects, including WaterSmart, aquifer storage and recovery, and water reuse.

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

John Arriaga noted that the Legislature is in a critical phase with bills being finalized or moving forward, making it a timely point for the update. He highlighted a busy year for state legislation, including active District engagement and a bill introduced by Senator Laird. He also noted the ongoing state budget process, improving revenue outlook, and additional pressures from election-year dynamics.

Laurie Johnson provided a state budget and legislative update, noting improved short-term revenues but caution about future deficits and no significant new water investments. She reported progress on the District-sponsored SB 1139 and highlighted concerns with AB 1548, which would create a regional authority with taxing and bonding powers and is generating opposition among local agencies. She noted the District is monitoring developments and continuing coordination with regional partners.

John Arriaga and Laurie Johnson provided an overview of upcoming ballot initiatives, including a voter ID measure, housing streamlining efforts, and proposals affecting local tax thresholds. They noted likely opposition to measures increasing tax requirements and discussed a potential wealth tax initiative and related countermeasures. Staff will continue monitoring qualifications and election outcomes.

Suggest Items to Be Placed on a Future Agenda

No items were suggested.

Adjournment

General Manager Stoldt adjourned the meeting at 9:38 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 ACTIVITIES

Meeting Date: September 2, 2026 **Budgeted:** N/A

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

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



TO: Monterey Peninsula Water Management District

FROM: The Ferguson Group

RE: Federal Legislative Advocacy Committee Report

DATE: September 2, 2026

Quarterly Federal Legislative Report

This report covers federal legislative and agency activity affecting the District since the May 26, 2026, quarterly report, with emphasis on appropriations, water and natural resources policy, environmental regulation, and funding opportunities relevant to MPWMD priorities. Prepared by TFG in our role as the District's federal government relations consultant.

Executive Summary

Key developments since the May 2026 report:

- **Section 219 reimbursement language included in both WRDA 2026 bills:** The District's requested amendment authorizing Corps Environmental Infrastructure (EI), Section 219 funding on a reimbursement basis was included in both the House and Senate Water Resources Development Act (WRDA) 2026 bills, the District's biggest win this period. Local sponsors could build first and be reimbursed by the Corps. Conference negotiations this fall will determine final language.
- **WRDA 2026 advanced in both chambers:** The House Transportation and Infrastructure (T&I) Committee unanimously approved H.R. 9497 on July 14 (131 new feasibility studies, 10 projects). The Senate Environment and Public Works (EPW) Committee approved S. 4949 on July 15 (61 studies, 15 projects, plus State Revolving Fund (SRF) and Water Infrastructure Finance and Innovation Act (WIFIA) reauthorizations).
- **Senate ENR Committee 39-bill markup (July 29):** The Senate Energy and Natural Resources (ENR) Committee reported out the MORE WATER Act (S. 3738, Padilla) and the Water Security and Drought Resilience Act (S. 3732, Gallego), the Senate version of Rep. Costa's Every Drop Counts Act amending the WIIN Act storage program. Both reauthorize Bureau of Reclamation programs directly relevant to District priorities.
- **June delegation meetings completed:** TFG and District leadership met with the offices of Senators Padilla and Schiff and Rep. Panetta on MPWMD federal policy and earmark priorities. Offices were receptive to water supply reliability and disadvantaged community (DAC) projects and signaled a preference for construction-ready requests. Strategy is now focused on repositioning for the FY 2028 Congressionally Directed Spending (CDS) cycle, which opens in early calendar year 2027.
- **Seaside grant strategy advancing:** The competitive-grant pathway for the Seaside Groundwater Basin Monitoring Wells project, centered on Reclamation Applied Science and Drought Response programs,

continues to develop, with a first application targeted for summer-fall 2026 as notices of funding opportunity (NOFOs) open.

- **FY 2027 Energy and Water appropriations:** The House committee-approved bill (\$1.861 billion for Reclamation, a 13 percent increase, including WaterSMART at \$83 million; \$9.775 billion for the Corps) awaits floor action. Senate subcommittee markup is expected this fall. A continuing resolution is likely at the October 1 deadline.
- **Corps deauthorization review, good news for the District:** Neither the Monterey Peninsula Stormwater Diversion and Recycling Program authority nor California's statewide Environmental Infrastructure authority was proposed for deauthorization. California has 32 authorities on the proposed list (29 of them EI); the comment period closed August 19 and a final list will be submitted to Congress.
- **Colorado River Post-2026 Framework EIS released July 31:** The environmental impact statement adopts an adaptive management approach for 2027-2036; California faces 440,000 acre-feet in annual reductions for 2027-2028.
- **One Big Beautiful Bill implementation:** Reclamation announced \$889 million for western water infrastructure, including \$540 million for California canal and storage projects (Delta-Mendota, Friant-Kern, Shasta Dam).
- **Washington, D.C. advocacy visit in planning** for late fall 2026 or January/February 2027, targeting Reclamation, the Corps, the Appropriations Committees, and the California delegation.

Top Federal Developments

1. WRDA 2026: Both Chambers Advance; District's Section 219 Reimbursement Language Included

What happened: The House T&I Committee unanimously approved H.R. 9497 on July 14, authorizing 131 new feasibility studies and 10 water resources projects, with a five-year reauthorization of the High Hazard Dam Rehabilitation Grant Program, expanded drought resilience authorities, and support for nature-based flood risk reduction. The Senate EPW Committee approved S. 4949 on July 15, authorizing 61 studies and 15 projects and reauthorizing the Clean Water and Drinking Water SRFs and the WIFIA program, including the extended loan repayment terms (from 35 years to 55 years or the useful life of the project) that TFG developed with Senator Padilla's office. Most significantly for the District, the amendment authorizing Section 219 EI funding on a reimbursement basis, requested by the District through Rep. Panetta and Senators Padilla and Schiff, was included in both chambers' bills. Conference negotiations are underway, with enactment likely at the end of 2026.

MPWMD relevance: Reimbursement authority would materially improve cash-flow flexibility for non-federal sponsors and reduce the timing risk of traditional Corps construction processes. If enacted, it would benefit the Monterey Peninsula Stormwater Diversion and Recycling Project and any future Section 219 work. The WIFIA repayment extension is also directly relevant given the District's and Monterey One Water's prior WIFIA experience. Inclusion in both bills substantially improves the odds of enactment, but conference is not automatic.

Recommended action: Track conference negotiations to protect the Section 219 language; coordinate California delegation outreach to conferees; prepare a short thank-you and reinforcement message for the Panetta, Padilla, and Schiff offices.

2. Senate ENR Committee 39-Bill Markup: MORE WATER Act and Water Security and Drought Resilience Act

What happened: On July 29, the Senate ENR Committee marked up and reported 39 bills, including two of primary interest to the District. The MORE WATER Act (S. 3738, Padilla) reauthorizes expiring Bureau of Reclamation water recycling programs and raises the ceiling on available assistance, increasing the Title XVI per-project cap from \$30 million to \$50 million; it also reauthorizes Reclamation's environmental restoration program for salmon habitat in the Sacramento Valley and addresses drinking water deficits affecting California communities. The Water Security and Drought Resilience Act (S. 3732, Gallego), the Senate version of Rep. Costa's Every Drop Counts Act (H.R. 338), amends the Water Infrastructure Improvements for the Nation (WIIN) Act to authorize assistance under the storage program. It creates a funding opportunity for groundwater recharge, conjunctive use, and small-scale storage projects, similar to the Title XVI opportunity for water reuse, allowing up to 25 percent federal support for eligible, approved projects, and modifies the existing program to make it more applicable and available to projects like those that would benefit MPWMD.

MPWMD relevance: Pure Water Monterey provides more than 60 percent of the Peninsula's water supply and has leveraged Reclamation funds at a 2.7:1 ratio; the MORE WATER Act's recycling reauthorization and higher per-project cap expand the federal funding pipeline for future expansion. S. 3732's recharge, conjunctive use, and small-scale storage opportunity aligns directly with the District's Seaside Basin aquifer storage and recovery interests.

Recommended action: Monitor Senate floor scheduling for both bills; coordinate with the Padilla and Gallego offices on amendments and companion House legislation; prepare a District fact sheet highlighting the benefits of both provisions.

3. June Delegation Meetings and FY 2028 Earmark Strategy

What happened: In June, TFG and District leadership met with the offices of Senator Padilla, Senator Schiff, and Rep. Panetta to review MPWMD federal policy priorities and earmark strategy following the FY 2027 CDS outcome (reported in May: neither Senator submitted the Seaside Groundwater Basin Monitoring Wells project, while both submitted other Monterey County water projects). The meetings were designed in part to determine next steps for FY 2028 earmark requests and generate a better outcome in that process, which begins in early calendar year 2027. Consistent feedback themes: offices favor construction-ready projects, disadvantaged community benefits, demonstrable economic impacts, and water supply reliability.

MPWMD relevance: The FY 2028 CDS cycle is the District's next earmark window. Positioning requires strengthening the construction-readiness and DAC narrative for the Seaside project, or advancing an alternative construction-ready candidate, while the competitive grants pathway proceeds in parallel and reduces reliance on earmarks.

Recommended action: Identify FY 2028 project candidates this fall; develop fact sheets demonstrating economic impact on growers and DAC benefits; frame requests around water supply reliability and drought resilience; plan the D.C. visit to reinforce these priorities in person.

4. FY 2027 Energy and Water Appropriations

What happened: The House Appropriations Committee approved its FY 2027 Energy and Water bill on May 20 with \$1.861 billion for the Bureau of Reclamation (a 13 percent increase over FY 2026) and \$9.775 billion for the Corps. WaterSMART is funded at \$83 million, including Title XVI Water Reclamation and Reuse at \$41 million, Drought Response at \$20 million, and supportive report language. House floor action is pending, and

the Senate Energy and Water Subcommittee markup is expected this fall. With the October 1 fiscal-year deadline approaching, a continuing resolution is likely; final action is expected after the midterm elections.

MPWMD relevance: WaterSMART remains the primary federal vehicle for the District's drought resilience, water efficiency, and Title XVI recycling work; the House's near-doubling from FY 2026, driven in part by the coalition advocacy the District joined, must now be matched or bettered in the Senate. Community Project Funding is included in the House bill, keeping the earmark process alive heading into FY 2028.

Recommended action: Sustain engagement with the Senate Energy and Water Subcommittee to secure comparable or stronger WaterSMART levels; coordinate with ACWA and California water agencies through conference; provide District-specific talking points to congressional delegation, when appropriate.

5. Seaside Groundwater Basin Monitoring Wells: Competitive Grant Strategy

What happened: Following the discovery work initiated in May-June with TFG's Grants Division, the competitive grant strategy for the \$750,000 Seaside Groundwater Basin Monitoring Wells project continues to advance. Reclamation's Applied Science and Drought Response programs remain the strongest near-term fits, with a first application targeted for summer-fall 2026 as NOFOs open.

MPWMD relevance: A dedicated grants pathway reduces reliance on earmarks, particularly given the FY 2027 CDS outcome. Applied Science aligns with monitoring infrastructure and its planning and data components; Drought Response addresses implementation. Success here also strengthens the construction-readiness narrative for a future FY 2028 CDS request.

Recommended action: Finalize application materials with District staff; monitor Reclamation NOFO releases and confirm eligibility windows; align grant milestones with the FY 2028 repositioning strategy.

6. Corps Deauthorization Review: Monterey Authorities Not Proposed

What happened: The Corps published its proposed list of project authorities for deauthorization on May 21, developed under Section 301 of WRDA 2020 as amended by WRDA 2024. The list contains 249 entries nationwide with a total estimated balance to complete of about \$3.64 billion; 180 of the 249 are Environmental Infrastructure authorities spanning roughly 34 states and territories. California has 32 authorities proposed, the most of any state: 29 are EI authorities (nearly all Section 219 authorities from P.L. 102-580, mostly never funded), plus Cache Creek Basin (flood risk management), Clear Lake in Lake County (aquatic ecosystem restoration), and Perris (flood risk management). The public comment period closed August 19, and a final list will be submitted to Congress.

MPWMD relevance: Good news for the District: the Monterey Peninsula Stormwater Diversion and Recycling Program authority (section 8375(a)(292) of P.L. 117-263, which includes WRDA 2022) was not proposed for deauthorization, nor was California's statewide Environmental Infrastructure authority (Section 5039 of WRDA 2007, P.L. 110-114). Both federal pathways for the District's Section 219 work remain intact, preserving the value of the reimbursement language advancing in WRDA conference.

Recommended action: Monitor submission of the final list to Congress to confirm the Monterey and statewide authorities remain off it; continue engagement with the Corps San Francisco District Office on future EI funding cycles.

7. Colorado River Post-2026 Framework EIS

What happened: On July 31, the Bureau of Reclamation released the environmental impact statement for post-2026 Colorado River operations, adopting an adaptive management approach for 2027-2036. California faces annual reductions of 440,000 acre-feet for 2027-2028.

MPWMD relevance: The impact on the District is indirect but meaningful: statewide supply pressures elevate the value of the Peninsula's local supply independence (Pure Water Monterey, Seaside Basin storage) and will intensify competition for federal drought-resilience funding across California.

Recommended action: Monitor implementation; incorporate the supply-independence framing into District advocacy materials and grant narratives.

8. One Big Beautiful Bill: Western Water Implementation

What happened: Reclamation announced \$889 million for western water infrastructure from One Big Beautiful Bill funds, including \$540 million for California canal and storage projects (Delta-Mendota Canal, Friant-Kern Canal, Shasta Dam enlargement). An appropriations transparency dispute between Congress and the Office of Management and Budget continues to complicate oversight of these funds.

MPWMD relevance: No direct District funding is included, but the announcement confirms continued federal investment in California water infrastructure and frames the competitive environment for Reclamation discretionary programs the District is pursuing.

Recommended action: Monitor future funding tranches for programs with District eligibility; use the investment narrative to reinforce the case for coastal supply-resilience funding.

Congressional Landscape

Senate Energy and Natural Resources

Chairman Mike Lee (R-UT) and Ranking Member Martin Heinrich (D-NM) completed the July 29 markup of 39 bills, sending S. 3738 and S. 3732 to the full Senate. Floor time is the constraint: the midterm calendar compresses the second-half 2026 schedule, and western water bills will compete for limited slots, possibly as part of a packaged vehicle.

Senate Environment and Public Works

Chairman Shelley Moore Capito (R-WV) and Ranking Member Sheldon Whitehouse (D-RI) delivered a bipartisan WRDA markup July 15, including SRF and WIFIA reauthorizations and PFAS provisions. PFAS regulatory policy remains an active oversight issue, with continuing Senate-side discussion of additional federal support for wells with PFAS contamination.

House Transportation and Infrastructure

The committee approved WRDA 2026 unanimously on July 14 and is coordinating with Senate EPW toward conference.

Appropriations Committees

The House FY 2027 Energy and Water bill (approved in full committee May 20, with Community Project Funding included) awaits floor action; the Senate subcommittee markup is expected this fall. A continuing resolution is expected to be enacted soon, keeping the government open through December 11, with final action expected after the midterm elections. FY 2028 CDS guidance is expected in early calendar 2027.

Appropriations Transparency Dispute (OMB Apportionment Data)

Background on an oversight dispute referenced in this report: apportionments are OMB's legally binding decisions on how much appropriated funding each agency may spend, and when. The FY 2022 and FY 2023 appropriations acts required OMB to maintain a public website disclosing them, but OMB took the site down in March 2025. Citizens for Responsibility and Ethics in Washington and Protect Democracy sued; a federal district court ordered the site restored in July 2025, and OMB brought it back online in August 2025 while appealing to the D.C. Circuit. On May 5, 2026, Senate Appropriations Vice Chair Patty Murray (D-WA) and House Appropriations Ranking Member Rosa DeLauro (D-CT) filed an amicus brief urging the appeals court to uphold the ruling, calling the data essential to Congress's ability to monitor spending and conduct oversight. The practical relevance for the District: apportionment data is how Congress and stakeholders can verify that enacted funding, including Reclamation and Corps accounts and One Big Beautiful Bill funds, is actually being released to agencies on schedule.

House Natural Resources

Chairman Bruce Westerman (R-AR) has signaled that the Endangered Species Act overhaul (H.R. 1897), withdrawn from the floor in late April, will return. Any ESA changes will be monitored and reported to the District/Committee.

Agency Landscape

Army Corps of Engineers

The deauthorization review resolved favorably for the District: neither the Monterey Peninsula Stormwater Diversion and Recycling Program authority (WRDA 2022) nor California's statewide EI authority (WRDA 2007) was proposed, while 249 authorities nationwide (32 in California) were. The final list goes to Congress following the August 19 close of comments. The Corps is also collecting feedback on WRDA proposals for conference, and FY 2027 work plan development should be monitored for Monterey-area inclusions.

Bureau of Reclamation

Reclamation announced \$889 million in western water investments from One Big Beautiful Bill funds and released the Colorado River Post-2026 Framework EIS on July 31. Applied Science, Drought Response, and other WaterSMART NOFOs remain open pathways for District priorities.

Environmental Protection Agency

The May 18 PFAS proposed rules (opt-in PFOA/PFOS compliance extension to 2031; potential rescission of four other PFAS standards) are moving through the comment process, creating planning uncertainty for utilities. Nearly \$1 billion in new Emerging Contaminants in Small or Disadvantaged Communities grant funding

remains a significant resource the District and regional partners should evaluate. EPA's RealWaterTA initiative continues to provide engineering and financial support to local utilities.

FEMA

Cameron Hamilton has been nominated to lead FEMA, which has cycled through three temporary leaders since January 2025. Leadership instability continues to slow hazard-mitigation grant decisions relevant to regional flood and fire resilience partners.

Funding and Legislative Vehicles Tracker

Vehicle / Program	Status	Next Milestone	MPWMD Relevance	Owner
FY 2027 Energy & Water Appropriations	House committee approved May 20; floor pending; Senate markup expected fall	Senate E&W subcommittee markup	WaterSMART \$83M / Title XVI \$41M; protect in Senate mark	TFG
FY 2028 CDS (earmarks)	Process opens early calendar 2027	Delegation guidance, early 2027	Reposition Seaside project with construction-ready, DAC narrative	Staff / TFG
WRDA 2026 (H.R. 9497 / S. 4949)	Passed both committees July; conference underway	Conference agreement, fall 2026	Section 219 reimbursement language in both bills; WIFIA term extension	TFG
MORE WATER Act (S. 3738)	Reported by Senate ENR July 29	Senate floor scheduling	Reclamation recycling reauthorization; Pure Water Monterey pipeline	TFG
Water Security & Drought Resilience Act (S. 3732)	Reported by Senate ENR July 29	Senate floor scheduling	WIIN Act storage program; Seaside Basin storage relevance	TFG
Reclamation Applied Science / Drought Response	Grant strategy in development	NOFO releases; application summer-fall 2026	Primary near-term funding path for Seaside monitoring wells	TFG Grants / Staff
EPA Emerging Contaminants (ECSDC) grants	~\$1B announced May 2026	Program guidance and application windows	PFAS and emerging-contaminant funding; evaluate eligibility	Staff / TFG

WIFIA	Reauthorization and 55-year repayment terms in Senate WRDA	WRDA conference	Future low-cost financing for District and Monterey One Water projects	TFG
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Risks, Opportunities, Watch List

Opportunities

- Section 219 reimbursement language in both WRDA bills positions the District for a structural improvement in how EI funding can flow.
- Monterey's EI authority and California's statewide EI authority were not proposed for Corps deauthorization, preserving both federal pathways.
- S. 3738 and S. 3732 advancing to the Senate floor create near-term wins for the Pure Water Monterey funding pipeline and western storage authorities.
- House FY 2027 WaterSMART funding at \$83 million, with Title XVI at \$41 million, strengthens the grant environment for District recycling and Seaside Basin projects.
- Reclamation Applied Science and Drought Response programs align with the Seaside monitoring wells and are open now.
- EPA's PFAS compliance extension (to 2031), if finalized, provides planning time, and ECSDC grant funding is a significant new resource.

Risks

- WRDA conference could drop or weaken the Section 219 reimbursement language; sustained delegation attention is required.
- The Senate FY 2027 mark is not yet public; a weak WaterSMART number or unfavorable conference outcome could still result in cuts.
- Government shutdown risk after the mid-term elections.
- FY 2028 CDS competition will be intense; without a stronger construction-readiness narrative, the Seaside project faces the same headwinds as FY 2027.
- Rescission of four PFAS standards, if finalized, could reduce federal remediation resources available to California communities.
- ESA overhaul efforts could affect steelhead protections relevant to Carmel River operations.
- Colorado River reductions intensify statewide competition for federal drought-resilience funding.
- The potential for a change in party control of one or both chambers of Congress creates significant uncertainty regarding the outcomes of the upcoming "Lame Duck" session and the general policy direction next year.

Watch List

- Senate floor scheduling for S. 3738 and S. 3732.
- WRDA 2026 conference negotiations and the Section 219 language.

- Senate FY 2027 Energy and Water Subcommittee markup.
- Corps final deauthorization list (Monterey and statewide EI authorities not on the proposed list).
- FY 2028 CDS guidance from delegation offices (expected early 2027).
- EPA PFAS final rule actions.

Decisions Needed

- **D.C. visit authorization and timing:** Authorize TFG to schedule the Washington, D.C. visit (Bureau of Reclamation, Corps, Appropriations Committees, California delegation) and confirm the preferred window: late fall 2026 or January/February 2027, ahead of the FY 2028 CDS cycle.
- **FY 2028 earmark direction:** Confirm whether to reposition the Seaside Groundwater Basin Monitoring Wells project for FY 2028 CDS with a strengthened construction-readiness and DAC narrative, advance an alternative construction-ready candidate, or pursue both tracks.

Immediate Next Steps

1. Begin FY 2028 earmark positioning: identify construction-ready project candidates and DAC benefit narratives. (Staff / TFG, fall 2026)
2. Monitor Corps final deauthorization list submission to Congress; Monterey and CA statewide EI authorities are not on the proposed list. (TFG, fall 2026)
3. Monitor S. 3738 and S. 3732 for Senate floor scheduling; prepare the Pure Water Monterey fact sheet. (TFG / Committee, fall 2026)
4. Track WRDA 2026 conference negotiations to protect the Section 219 reimbursement language. (TFG, fall 2026)
5. Advance the Seaside Basin competitive grant strategy; identify applicable WaterSMART and Reclamation NOFOs. (Staff / TFG, ongoing)
6. Monitor the Senate FY 2027 Energy and Water Subcommittee markup for WaterSMART and Reclamation funding. (TFG, fall 2026)
7. Plan the D.C. visit: Reclamation, Corps, Appropriations Committees, and California delegation. (TFG / GM, Q4 2026)
8. Review EPA PFAS rulemaking final actions for implications for Monterey Peninsula water systems. (Staff, Q4 2026)



Monterey Peninsula Water Management District

MPWMD September Legislative Tracker

Last Updated: August 27, 2026

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

BILL NUMBER	BILL TITLE	CONGRESS
HR 132	Western Water Accelerated Revenue Repayment Act	119th Congress
PROCESS STAGE IntroducedCommitteePassed HousePassed SenateTo PresidentLaw		STATUS In Committee
SPONSOR Lauren Boebert (R, CO-3)	COSPONSORS Jeff Hurd (R, CO)	
INTRODUCTION DATE Jan 03, 2025	LAST ACTION Jan 03, 2025 — Referred to the House Committee on Natural Resources.	ACTION TIMELINE 2025-01-03 — Introduced in House 2025-01-03 — Introduced in House 2025-01-03 — Referred to the House Committee on Natural Resources.
FULL SUMMARY Western Water Accelerated Revenue Repayment Act This bill permanently authorizes a provision under the Water Infrastructure Improvements for the Nation (WIIN) Act that (1) allows certain water users (e.g., agriculture and municipal water users) in western states to prepay what they owe under contracts with the Bureau of Reclamation for delivering water through a lump sum payment or over a period of three years; and (2) requires a specified portion of the receipts generated from such prepayments be directed to the Reclamation Water Storage Account for the construction of water storage. Such prepayments do not alter certain requirements for the disposition of amounts that are directed by project-specific statutes in effect prior to the passage of the WIIN Act to accounts other than the General Reclamation Fund.		
COMMITTEES Natural Resources Committee (House)		LINK TO CONGRESS.GOV View on Congress.gov →
BILL NUMBER	BILL TITLE	CONGRESS
HR 337	To provide technical and financial assistance for groundwater recharge, aquifer storage, and water source substitution projects.	119th Congress

PROCESS STAGE		STATUS
		In Committee
SPONSOR	COSPONSORS	
Jim Costa (D, CA-21)	David Valadao (R, CA); Mike Thompson (D, CA); Zoe Lofgren (D, CA); Adam Gray (D, CA); Josh Harder (D, CA); Brian Fitzpatrick (R, PA)	
INTRODUCTION DATE	LAST ACTION	ACTION TIMELINE
Jan 13, 2025	Jan 13, 2025 — Referred to the House Committee on Natural Resources.	2025-01-13 — Introduced in House 2025-01-13 — Introduced in House 2025-01-13 — Referred to the House Committee on Natural Resources.
FULL SUMMARY		
This bill modifies the Infrastructure Investment and Jobs Act to allow unobligated balances of amounts made available to the Bureau of Reclamation for western water infrastructure to be made available to Reclamation for FY2026-2031 to provide financial or technical assistance for (1) groundwater recharge projects, (2) aquifer storage and recovery projects, or (3) water source substitution for aquifer protection projects.		
COMMITTEES		LINK TO CONGRESS.GOV
Natural Resources Committee (House)		View on Congress.gov →

BILL NUMBER	BILL TITLE	CONGRESS
HR 338	Every Drop Counts Act	119th Congress
PROCESS STAGE		STATUS
		In Committee
SPONSOR	COSPONSORS	
Jim Costa (D, CA-21)	Russ Fulcher (R, ID); David Valadao (R, CA); Adam Gray (D, CA); Josh Harder (D, CA); Brian Fitzpatrick (R, PA); Michael Simpson (R, ID); Dave Min (D, CA)	
INTRODUCTION DATE	LAST ACTION	ACTION TIMELINE
Jan 13, 2025	Nov 19, 2025 — Subcommittee Hearings Held	2025-11-19 — Subcommittee Hearings Held 2025-11-12 — Referred to the Subcommittee on Water, Wildlife and Fisheries. 2025-01-13 — Introduced in House 2025-01-13 — Introduced in House 2025-01-13 — Referred to the House Committee on Natural Resources.

FULL SUMMARY

Every Drop Counts Act This bill expands the Bureau of Reclamation's Small Storage Program, which is a grant program for small surface water or groundwater storage projects in certain western states. First, the bill expands the types of projects that are eligible for grants under the program. Specifically, the bill makes a project eligible for a grant if the project (1) has water storage capacity of recharges no less than 200 acre-feet and no more than 150,000 acre-feet on an average annual basis over the life of the project for storage or use; and (2) increases groundwater aquifer storage, conveys water to or recovers water from groundwater storage, and stabilizes groundwater levels. Next, it extends Reclamation's authority to carry out the grant program for another five years.

COMMITTEES

Natural Resources Committee (House)

LINK TO CONGRESS.GOV

[View on Congress.gov →](#)

BILL NUMBER

HR 1235

BILL TITLE

Federal Infrastructure Bank Act of 2025

CONGRESS

119th Congress

PROCESS STAGE



STATUS

In Committee

SPONSOR

Daniel Webster (R, FL-11)

COSPONSORS

Salud Carbajal (D, CA); Christopher Deluzio (D, PA); Melanie Stansbury (D, NM)

INTRODUCTION DATE

Feb 12, 2025

LAST ACTION

Feb 12, 2025 — Referred to the Subcommittee on Highways and Transit.

ACTION TIMELINE

2025-02-12 — Introduced in House
2025-02-12 — Introduced in House
2025-02-12 — Referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Financial Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
2025-02-12 — Referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Financial Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
2025-02-12 — Referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Financial Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
2025-02-12 — Referred to the Subcommittee on Highways and Transit.

FULL SUMMARY

Federal Infrastructure Bank Act of 2025 This bill establishes the Federal Infrastructure Bank and the Federal Infrastructure Bank Holding Company (FIBHC). The bank shall be a wholly owned subsidiary of the FIBHC. The bank must provide equity investments, direct loans, and loan guarantees for the planning, predevelopment, design, construction, operation, or maintenance of revenue-producing infrastructure projects in the United States with sufficient revenue sources and guarantees to support the interest and principal payments to the bank. At least 10% of the loans, equity investments, and loan guarantees must be for infrastructure projects in rural areas. Entities eligible for loans, equity investments, and loan guarantees include corporations, joint ventures, states, and governmental entities. The bank is prohibited from providing funding for infrastructure projects that are owned, directed, controlled, financed, or influenced by the Chinese government or the Chinese Communist Party. The Board of Governors of the Federal Reserve System shall have oversight and supervisory authority over the FIBHC and the bank. The bank must establish an Infrastructure Guarantee Fund to cover loans...

COMMITTEES

Transportation and Infrastructure Committee (House); Ways and Means Committee (House); Financial Services Committee (House)

LINK TO CONGRESS.GOV

[View on Congress.gov →](#)

BILL NUMBER

HR 1871

BILL TITLE

Water Conservation Rebate Tax Parity Act

CONGRESS

119th Congress

PROCESS STAGE



STATUS

In Committee

SPONSOR

Jared Huffman (D, CA-2)

COSPONSORS

Blake Moore (R, UT); Judy Chu (D, CA); Brian Fitzpatrick (R, PA); Jim Costa (D, CA); Zachary Nunn (R, IA); Raul Ruiz (D, CA); Mike Levin (D, CA); Laura Friedman (D, CA); Norma Torres (D, CA); Julia Brownley (D, CA); Dave Min (D, CA); Gilbert Cisneros (D, CA)

INTRODUCTION DATE

Mar 05, 2025

LAST ACTION

Mar 05, 2025 — Referred to the House Committee on Ways and Means.

ACTION TIMELINE

2025-03-05 — Introduced in House
2025-03-05 — Introduced in House
2025-03-05 — Referred to the House Committee on Ways and Means.

FULL SUMMARY

COMMITTEES

Ways and Means Committee (House)

LINK TO CONGRESS.GOV

[View on Congress.gov →](#)

BILL NUMBER

HR 1894

BILL TITLE

FISH Act of 2025

CONGRESS

119th Congress

PROCESS STAGE



STATUS

In Committee

SPONSOR		COSPONSORS	
Ken Calvert (R, CA-41)		Jim Costa (D, CA); Doug LaMalfa (R, CA); Tom McClintock (R, CA); Darrell Issa (R, CA); Vince Fong (R, CA); Adam Gray (D, CA); Michael Lawler (R, NY)	
INTRODUCTION DATE		LAST ACTION	ACTION TIMELINE
Mar 06, 2025		Mar 06, 2025 — Referred to the House Committee on Natural Resources.	2025-03-06 — Introduced in House 2025-03-06 — Introduced in House 2025-03-06 — Referred to the House Committee on Natural Resources.
FULL SUMMARY			
COMMITTEES		LINK TO CONGRESS.GOV	
Natural Resources Committee (House)		View on Congress.gov →	

BILL NUMBER		BILL TITLE		CONGRESS	
HR 2766		Special District Fairness and Accessibility Act		119th Congress	
PROCESS STAGE				STATUS	
IntroducedCommitteePassed HousePassed SenateTo PresidentLaw				In Committee	
SPONSOR		COSPONSORS			
Pat Fallon (R, TX-4)		Brittany Pettersen (D, CO); David Valadao (R, CA); Young Kim (R, CA); Doug LaMalfa (R, CA); Dan Newhouse (R, WA); Jay Obernolte (R, CA); Josh Harder (D, CA); Suzanne Bonamici (D, OR); Raul Ruiz (D, CA); Andrea Salinas (D, OR); Val Hoyle (D, OR); George Whitesides (D, CA); Ken Calvert (R, CA); Janelle Bynum (D, OR); Vince Fong (R, CA); Eugene Vindman (D, VA); Julia Brownley (D, CA); John Garamendi (D, CA); Emily Randall (D, WA); Kim Schrier (D, WA); Sam Liccardo (D, CA); Salud Carbajal (D, CA); Suzan DelBene (D, WA)			
INTRODUCTION DATE		LAST ACTION		ACTION TIMELINE	
Apr 09, 2025		Mar 18, 2026 — Ordered to be Reported (Amended) by the Yeas and Nays: 32 - 8.		2026-03-18 — Committee Consideration and Mark-up Session Held 2026-03-18 — Ordered to be Reported (Amended) by the Yeas and Nays: 32 - 8. 2025-04-09 — Introduced in House 2025-04-09 — Introduced in House 2025-04-09 — Referred to the House Committee on Oversight and Government Reform.	
FULL SUMMARY					
COMMITTEES				LINK TO CONGRESS.GOV	
Oversight and Government Reform Committee (House)				View on Congress.gov →	

BILL NUMBER	BILL TITLE	CONGRESS
HR 3035	Restoring WIFIA Eligibility Act	119th Congress
PROCESS STAGE	STATUS	
IntroducedCommitteePassed HousePassed SenateTo PresidentLaw	In Committee	
SPONSOR	COSPONSORS	
Jim Costa (D, CA-21)	Dan Newhouse (R, WA); Brian Fitzpatrick (R, PA); Adam Gray (D, CA)	
INTRODUCTION DATE	LAST ACTION	ACTION TIMELINE
Apr 28, 2025	Apr 28, 2025 — Referred to the Subcommittee on Water Resources and Environment.	2025-04-28 — Introduced in House 2025-04-28 — Introduced in House 2025-04-28 — Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. 2025-04-28 — Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. 2025-04-28 — Referred to the Subcommittee on Water Resources and Environment.
FULL SUMMARY		
COMMITTEES	LINK TO CONGRESS.GOV	
Transportation and Infrastructure Committee (House); Energy and Commerce Committee (House)	View on Congress.gov →	

BILL NUMBER	BILL TITLE	CONGRESS
S 1760	Restoring WIFIA Eligibility Act of 2025	119th Congress
PROCESS STAGE	STATUS	
IntroducedCommitteePassed SenatePassed HouseTo PresidentLaw	In Committee	
SPONSOR	COSPONSORS	
John Curtis (R, UT)	Mark Kelly (D, AZ)	

INTRODUCTION DATE	LAST ACTION	ACTION TIMELINE
May 14, 2025	May 14, 2025 — Read twice and referred to the Committee on the Budget.	2025-05-14 — Introduced in Senate 2025-05-14 — Read twice and referred to the Committee on the Budget.
FULL SUMMARY		
COMMITTEES		LINK TO CONGRESS.GOV
Budget Committee (Senate)		View on Congress.gov →

BILL NUMBER	BILL TITLE	CONGRESS
S 3732	Water Security and Drought Resilience Act	119th Congress
PROCESS STAGE		STATUS
 Introduced Committee Passed Senate Passed House To President Law		In Committee
SPONSOR	COSPONSORS	
Ruben Gallego (D, AZ)	Mark Kelly (D, AZ); Alex Padilla (D, CA)	
INTRODUCTION DATE	LAST ACTION	ACTION TIMELINE
Jan 29, 2026	Jul 29, 2026 — Committee on Energy and Natural Resources. Ordered to be reported with an amendment in the nature of a substitute favorably.	2026-07-29 — Committee on Energy and Natural Resources. Ordered to be reported with an amendment in the nature of a substitute favorably. 2026-03-17 — Committee on Energy and Natural Resources Subcommittee on Water and Power. Hearings held. 2026-01-29 — Introduced in Senate 2026-01-29 — Read twice and referred to the Committee on Energy and Natural Resources.
FULL SUMMARY		
COMMITTEES		LINK TO CONGRESS.GOV
Energy and Natural Resources Committee (Senate)		View on Congress.gov →

BILL NUMBER	BILL TITLE	CONGRESS
S 3738	MORE WATER Act	119th Congress

PROCESS STAGE		STATUS	
IntroducedCommitteePassed SenatePassed HouseTo PresidentLaw		In Committee	
SPONSOR		COSPONSORS	
Alex Padilla (D, CA)			
INTRODUCTION DATE		LAST ACTION	
Jan 29, 2026		Jul 29, 2026 — Committee on Energy and Natural Resources. Ordered to be reported with an amendment in the nature of a substitute favorably.	
ACTION TIMELINE			
2026-07-29 — Committee on Energy and Natural Resources. Ordered to be reported with an amendment in the nature of a substitute favorably. 2026-03-17 — Committee on Energy and Natural Resources Subcommittee on Water and Power. Hearings held. 2026-01-29 — Introduced in Senate 2026-01-29 — Read twice and referred to the Committee on Energy and Natural Resources. (Sponsor introductory remarks on measure: CR S380-381)			
FULL SUMMARY			
COMMITTEES		LINK TO CONGRESS.GOV	
Energy and Natural Resources Committee (Senate)		View on Congress.gov →	

LEGISLATIVE ADVOCACY COMMITTEE

ITEM: DISCUSSION ITEM

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

Meeting Date: September 2, 2026 **Budgeted:** N/A

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

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 Update

3-B Sacramento Bill Tracker



EXHIBIT 3-A

Date: August 26, 2026

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

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

RE: Legislative Committee – September 2, 2026

The California Legislature is in the final days of the 2025-26 legislative session, with adjournment scheduled for August 31. Following the completion of the major policy and fiscal committee deadlines, the Legislature has entered the final floor period, with lawmakers focused on moving remaining legislation, resolving differences between the houses and completing the final budget-related measures.

The August 13th suspense file deadline eliminated a significant number (293 bills in the Senate Committee and 149 in the Assembly) of measures from the remaining legislative workload and left a substantially narrower group of bills competing for the limited floor time available before August 31st.

The final weeks of session are also when the character of the legislative process changes. Bills that have moved through the policy and fiscal committees are now being considered on the floors, while leadership and the Administration continue to negotiate the handful of issues that remain unresolved. Amendments adopted during this period can substantially change legislation, making the final versions of bills particularly important as the Legislature approaches adjournment.

Major Issues

Several broad policy areas have remained prominent throughout the session.

Water and natural resources continue to be significant areas of legislative activity, including water supply reliability, conservation, groundwater, infrastructure and the state's long-term water strategy. These issues are being considered alongside continuing debates over environmental requirements, regional water supplies and the state's investment in water infrastructure.

Housing and CEQA remain central to the Legislature's economic and housing agenda. The session has continued the state's effort to increase housing production and streamline development while addressing concerns regarding environmental review and local land-use authority. The final legislation will determine how much additional change occurs this year in the balance between state housing objectives and local government responsibilities.

Artificial intelligence has emerged as another major area of legislation. Measures addressing AI safety, consumer protection, children's online activity, transparency and the use of AI in various sectors have received significant attention. California continues to position itself at the forefront of state-level regulation of emerging AI technologies.

Wildfire, insurance and climate policy also remain important issues. The Legislature and Administration continue to address wildfire risk and recovery, insurance availability and affordability, and the state's broader climate strategy. Related negotiations have implications for utilities, insurers, property owners and local governments.

Local government and special districts continue to be affected by legislation involving mandates, public contracting, infrastructure, housing, CEQA and state-local funding. While many of these measures are not headline bills, they can have meaningful operational and financial consequences for local agencies.

Budget and Trailer Bills

The final legislative picture also includes the remaining budget trailer bills, which are being used to implement the 2026-27 state budget and address related policy and funding issues. Trailer bills are particularly important during the final days because they can contain both appropriations and substantive statutory changes.

For local governments, counties and special districts, the trailer-bill process warrants close attention. Late budget negotiations can affect grant programs, infrastructure funding, state-local responsibilities and other programs without those changes necessarily moving through the traditional policy-bill process.

The Final Week

As the Legislature approaches August 31, the remaining days will be focused on final floor votes, concurrence between the houses, late amendments and completion of the budget package. Bills that have not cleared the legislative process by the constitutional deadline will not advance this year.

The final week is therefore less about introducing new policy and more about deciding which of the measures that have survived the session will actually become law. Leadership will also determine which outstanding issues can be resolved through amendments, negotiated legislation or budget trailer bills.

Once the Legislature adjourns, the Governor will have the month of September to sign or veto legislation. The final outcome of the session will therefore not be known until the Governor completes action on the bills reaching his desk.

Looking Ahead

The 2026 session has continued several of the major themes that have characterized recent California legislative sessions: housing production, water supply and climate resilience, environmental regulation, emerging technology, wildfire and insurance, and the relationship between state policy and local government authority.

With the legislative process now in its final days, attention is shifting from the volume of legislation introduced to the relatively small number of measures and budget provisions that will have lasting policy and fiscal consequences. A final accounting following adjournment will provide a clearer picture of the legislation enacted this year and the issues that will carry into the 2027 session.

Legislative Update

This year MPWMD sponsored a bill, SB 1139 (Laird) which would clarify AB 1572 (Friedman – CH. 2023). SB 1139 gives MPWMD authority to enforce an existing prohibition against the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, and on properties of homeowners' associations, common interest developments, and community service organizations.

MPWMD's General Manager and Assistant General Manager and JEA & Associates have been successful in moving this bill through the Legislature and was signed by the Governor on July 13th (Chapter 88)

Election Update

California voters will return to the polls on November 3rd for a consequential statewide election featuring an open race for Governor, all 80 seats in the Assembly, 20 State Senate seats, all 52 California congressional districts, and a number of statewide constitutional offices. The election will also feature 14 statewide ballot measures, including nine citizen-initiated measures and five measures placed on the ballot by the Legislature.

The election follows a highly competitive June primary in which Xavier Becerra (D) and Steve Hilton (R) advanced to the November gubernatorial election. Governor Gavin Newsom is term-limited. The general election will therefore determine a new Governor for the first time in eight years and could shape the state's policy direction on housing, affordability, taxes, CEQA, public safety, infrastructure and the state's fiscal outlook

The 14 propositions are divided between five legislative measures and nine initiatives. The following are the initiative that would directly/indirectly affect MPWMD:

Proposition 45 — CEQA Reform

The measure would amend CEQA to establish expedited environmental review procedures for specified categories of projects, including most housing, transportation, water, health and clean-energy projects.

Among other changes, the measure would establish deadlines for environmental review and agency action, narrow certain requirements concerning project alternatives, and impose tighter deadlines and limitations on judicial review of CEQA challenges.

For MPWMD, that could affect projects involving:

- water supply and treatment infrastructure
- groundwater projects
- water storage
- conveyance and distribution facilities
- environmental review and litigation timelines

Proposition 43 — Local Special Taxes

Prop. 43 would raise the voter threshold for certain citizen-initiated local special taxes from a majority to two-thirds.

For MPWMD, the key question is what constitutes a “special tax” versus a fee or charge. MPWMD’s revenue sources include property taxes, user fees, water capacity charges, permit fees and other revenues. Its direct effect is on taxes subject to the constitutional special-tax rules. But it could matter if the District ever seeks a voter-approved special tax for a particular water program or infrastructure purpose.

Proposition 1 — Housing Bond

Prop. 1 would authorize approximately \$11.25 billion in bonds, including \$10 billion for affordable housing programs and \$1.25 billion in revenue bonds for veterans’ home loans. The measure would support affordable rental housing, homeownership, farmworker housing, supportive housing and related programs.

The affordable-housing bond itself isn’t a water measure, but housing construction on the Peninsula inevitably intersects with water-supply availability and capacity. The District’s role in water supply and regulatory approvals means housing-related funding and development could have indirect implications for MPWMD.

Cease & Desist Order

The General Manager will provide details.

EXHIBIT 3-B

MPWMD Legislative Track

As of August 26, 2026

Measure	Author	Topic	Status	Summary	Notes
<u>AB 35</u>	<u>Alvarez D</u>	Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.	7/16/2026- Approved by the Governor. Chaptered by Secretary of State - Chapter 89, Statutes of 2026.	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, 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, among other things, to develop draft project solicitation and evaluation guidelines, to transmit copies of those guidelines to the fiscal committees and to the appropriate policy committees of the Legislature, to hold a noticed public meeting on those 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 contains other related provisions and other existing laws.	
<u>AB 1548</u>	<u>Pellerin D</u>	Conservation: the Monterey Bay Area Stewardship Authority.	6/10/2026- Referred to Com. on RLS.	Existing law establishes various entities for specified purposes over specific geographic areas of the state, including the San Francisco Bay Restoration Authority and California Tahoe Regional Planning Agency, among others. This bill would establish the Monterey Bay Area Stewardship Authority, a regional entity with	

				jurisdiction extending throughout the Monterey Bay region, as defined. The bill would provide that the purpose of the authority is to raise and allocate public and private funds for restoring, enhancing, protecting, engaging in long-term stewardship, and improving access for the enjoyment of natural and working lands, as defined, in the Counties of Monterey, San Benito, and Santa Cruz, as specified. The bill would establish a 9-member governing board to govern the authority that consists of county board of supervisors, city officials, and public members of these counties, as specified. The bill would require the board to, among other things, establish policies for the operation of the authority, and convene an advisory committee to assist and advise the board in carrying out its functions. The bill would authorize the authority to award grants to public and private entities for eligible projects, including projects that restore, protect, enhance, or maintain natural, working, or open space lands in the Counties of Monterey, San Benito, and Santa Cruz, as specified. The bill would also authorize the authority to, among other things, levy a benefit assessment, special tax, or property related fee, apply for and receive grants from federal and state agencies, solicit and accept gifts, fees, grants, and allocations from public and private entities, issue revenue bonds, incur general bond indebtedness, and enter into joint powers agreements, as provided. This bill contains other related provisions and other existing laws.	
<u>AB 1945</u>	<u>Hadwick R</u>	Municipal utility	8/21/2026-	The Municipal Utility District Act establishes the	

		districts: prepay option: termination of service.	Read third time and amended. Ordered to second reading.	formation of a municipal utility district for the provision of light, heat, water, or power within the district's jurisdiction. The act prohibits a district furnishing light, heat, water, or power from terminating residential service on account of nonpayment of a delinquent account unless the district provides a notice of delinquency and an opportunity to cure, as provided. This bill would authorize districts to offer customers the option of electronically receiving the required notice of delinquency, as specified. The bill would authorize districts furnishing service to fewer than 100,000 customers to offer residential customers a prepay option, as defined, for electrical service if certain conditions are met, including, among other things, that the district provides the customer with information on returning to standard billing and issues automated low-balance alerts to the customer before suspending the customer's electrical service, as provided. The bill would specify that the requirement to provide a notice of delinquency does not apply to customers participating in the prepay option.	
<u>AB 1987</u>	<u>Aguiar-Curry D</u>	Department-managed lands: wildlife areas: hunting.	8/21/2026-Read third time and amended. Ordered to second reading.	Existing law requires the Department of Fish and Wildlife to require the purchase of an entry permit for nonconsumptive uses of department-managed lands if the department finds that it is practical and would be cost effective for the state to collect entry permit fees and imposes specified requirements if the department does so, including requiring the department to use the Automated License Data System to sell that entry permit. Existing law authorizes the department to lease	

				department-managed lands for agricultural activities if certain conditions are met and requires money collected from the lease of these lands to be deposited by the department in the Wildlife Restoration Fund or the Fish and Game Preservation Fund, and authorizes the department, upon appropriation by the Legislature, to use the funds to support the management, maintenance, restoration, and operations of department-managed lands. This bill would require the department to use the Automated License Data System to sell an entry permit for consumptive use and would authorize the department to use the Automated License Data System to sell an entry permit for nonconsumptive use if the department requires the purchase of an entry permit for nonconsumptive uses of department-managed lands, as described above. The bill would require, upon appropriation by the Legislature, the above-described agricultural lease funds to be used by the department to support the management, maintenance, restoration, and operations of department-managed lands. This bill contains other related provisions and other existing laws.	
<u>AB 2469</u>	<u>Papan D</u>	Data centers: water use disclosures.	8/17/2026- Read second time. Ordered to third reading.	The Planning and Zoning Law authorizes the legislative body of any county or city to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, businesses, residences, and open space, as specified. This bill would prohibit a city, county, or city and county from approving a discretionary or ministerial permit or other	

				entitlement that would result in the construction, or an expansion that increases the maximum peak water use, of a data center unless specified conditions are satisfied, including, among others, that the applicant provides the city, county, or city and a county prescribed information. The bill would include in this prescribed information a water scarcity plan and a water supply assessment, each as provided. The bill would also include in the specified conditions that the applicant assumes responsibility for the full cost of any required water conveyance, treatment or storage, or distribution infrastructure improvements necessary to serve the project, as determined by the applicable water supplier. By expanding the duties of local agencies to administer these provisions, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.	
<u>AB 2568</u>	<u>Johnson R</u>	Water district directors: compensation.	6/18/2026- Read second time. Ordered to third reading.	Existing law authorizes a water district, as defined, to adopt an ordinance that provides compensation to members of the governing board, as specified. Existing law prohibits a water district from adopting an ordinance that compensates members of the governing board for more than a total of 10 days in any calendar month. This bill would, until January 1, 2032, authorize a water district that has at least 90,000 residents within its jurisdiction to adopt an ordinance that compensates members of the governing board for up to a total of 15 days in any calendar month, but would require the members of the governing board of a water district that compensates its members for more	

				than 10 days in a calendar month to annually adopt a written policy describing, based on a finding supported by substantial evidence, why providing compensation for more than 10 days per calendar month is necessary for the effective operation of the water district.	
<u>AB 2728</u>	<u>Soria D</u>	Groundwater: de minimis extractors: fees: exemption.	8/13/2026-Re-referred to Com. on L. GOV. pursuant to Assembly Rule 77.2.	Existing law authorizes a groundwater sustainability agency to impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, and investigations, inspections, compliance assistance, enforcement, and program administration, as provided. Existing law prohibits a groundwater sustainability agency from imposing those fees on a de minimis extractor, as defined, unless the agency has regulated the user, as provided. This bill would authorize a local government, including, but not limited to, a groundwater sustainability agency, that imposes a fee, levy, charge, or exaction for groundwater monitoring or management, upon making specified findings, to exempt de minimis extractors, including the above-described regulated users, from the payment of the fee, levy, charge, or exaction, as provided.	
<u>AB 2739</u>	<u>Soria D</u>	Water: affordability and system stabilization.	8/21/2026-Read third time and amended. Ordered to second reading.	Existing law establishes in the Natural Resources Agency the Department of Water Resources. Existing law vests in the department powers, duties, purposes, responsibilities, and jurisdiction in matters pertaining to water or dams. Existing law declares the responsibility of the state to assist local governments in providing certain essential	

				services and facilities where water resource construction projects financed, in whole or in part, by the state or by the state jointly with the federal government create an undue burden on a local area's ability to provide these services and facilities. This bill would establish in the State Treasury the Water Affordability and System Stabilization Fund for holding the principal and income of the Water Affordability and System Stabilization Trust, which the bill would create. The bill would designate the Treasurer as trustee of the trust, as specified, and would require the trustee, among other things, to hold, manage, and invest the principal of the trust with the obligation of providing a growing perpetual source of annual funding to the Water Rate Assistance Fund, administered by the state board, and the Community Water Affordability Assistance Fund, administered by the department, beginning 25 years after the Legislature transfers funding from the General Fund to the Water Affordability and System Stabilization Fund. This bill contains other related provisions and other existing laws.	
<u>SB 327</u>	<u>McNerney D</u>	Public utilities: review of accounts: electrical and gas corporations: rates: political influence activities.	8/18/2026- Read second time. Ordered to third reading.	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 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 include in those activities for which costs may not be recovered from ratepayers any activities related to opposing the municipalization of electrical or gas utility service, as specified. This bill contains other related provisions and other existing laws.	
<u>SB 1125</u>	<u>Menjivar D</u>	Water Rate Assistance Program.	8/19/2026- Read third time and amended. Ordered to third reading.	Existing law requires the State Water Resources Control Board to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program. Existing law requires the plan to include, among other things, a description of the method for collecting moneys to support and implement the program and a description of the method for determining the amount of moneys that may need to be collected from water ratepayers to fund the program. This bill would establish the Water Rate Assistance Program. As part of the program, the bill would establish the Water Rate Assistance Fund in the State Treasury, available upon appropriation by the Legislature, to provide water affordability assistance for residential water services to low-income residential ratepayers, as specified. The bill would establish separate implementation procedures depending on whether the state board determines that the Legislature appropriated enough moneys from the fund for a partial implementation of the program or a statewide implementation of the program. The bill would require the state board to take various actions in administering the fund, including, among other	

				things, tracking and managing revenue in the fund separately from all other revenue. The bill would require the state board, in consultation with relevant agencies and after a public hearing, to adopt guidelines for implementation of the program and to adopt and submit a report to the Legislature or post the report on its internet website, as specified. The bill would require the guidelines to include minimum requirements for eligible systems, including the ability to confirm eligibility for enrollment through a request for self-certification of eligibility under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would require the state board to take various actions in administering the program, including, but not limited to, providing guidance, oversight, and funding for low-income rate assistance for residential ratepayers of eligible systems. The bill would authorize the Attorney General, at the request of the state board, to bring an action in state court to restrain the use of any method, act, or practice in violation of these provisions, except as provided. The bill would make the implementation of all of these provisions contingent upon an appropriation by the Legislature. This bill contains other related provisions and other existing laws.	
<u>SB 1139</u>	<u>Laird D</u>	Monterey Peninsula Water Management District: nonfunctional turf:	7/13/2026- Approved by the Governor. Chaptered by Secretary of	The Monterey Peninsula Water Management District Law establishes the Monterey Peninsula Water Management District. The act authorizes the district to, among other things, prohibit the use of district water during an emergency caused	CHAPTERED

		noncompliance and enforcement.	State. Chapter 88, Statutes of 2026.	by drought, or other threatened or existing water shortage, for specific uses that the district finds to be nonessential. Existing law prohibits the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities, as specified. Existing law requires a person or entity to be subject to civil liability or penalties by the State Water Resources Control Board, as prescribed, or to civil liability and penalties imposed by an urban water supplier, pursuant to a locally adopted ordinance or policy. Existing law authorizes a public water system, city, county, or city and county to enforce the provisions relating to the prohibition, as specified. This bill would require a person or entity to be subject to civil liability or penalties imposed by the Monterey Peninsula Water Management District pursuant to a locally adopted ordinance or policy. The bill would authorize the Monterey Peninsula Water Management District to enforce the provisions relating to the prohibition, as specified. This bill would make legislative findings and declarations as to the necessity of a special statute for the Monterey Peninsula Water Management District.	
<u>SB 1153</u>	<u>Caballero D</u>	Disaster preparedness: urban retail water suppliers and public water	8/17/2026- Read third time and amended. Ordered to third reading.	Existing law, the California Emergency Services Act, requires all public water systems, as defined, with 10,000 or more service connections to review and revise their disaster preparedness plans in conjunction with related agencies, including, but	

		systems: wildfire.	not limited to, local fire departments and the Office of Emergency Services, to ensure that the plans are sufficient to address possible disaster scenarios. A person, as defined, who violates the provisions of this act is guilty of a misdemeanor. This bill, beginning January 1, 2028, would require all urban retail water suppliers, as defined, serving 3,300 or more persons and serving a high or very high fire hazard severity zone to include incident-specific response procedures for wildfires as part of their disaster preparedness plans, including any applicable emergency response plan as required by federal law. The bill would require these plans to include, among other things, mitigation actions, including actions, procedures, and equipment, that can obviate or significantly lessen the impact of a wildfire on the water system and the supply of drinking water provided by the water supplier. Because violation of these requirements by certain urban retail water suppliers would constitute a misdemeanor, the bill would expand the scope of a crime, thereby imposing a state-mandated local program. This bill would prohibit anything, including any other law, from imposing a duty on public water systems, including wholesale water systems, to design, construct, or maintain a water system for wildfire defense or suppression. The bill would further prohibit the failure of an urban retail water supplier to implement or comply with any of the incident-specific response procedures developed pursuant to the above requirements or the inability of any public water system to maintain water supply or water pressure during a	
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				wildfire from being considered a substantial cause of the damages resulting from a wildfire. This bill contains other related provisions and other existing laws.	
<u>SB 1417</u>	<u>Pérez D</u>	Mutual water companies: assessments and water charges: notice.	8/18/2026- Read third time and amended. Ordered to third reading.	Existing law authorizes any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and requires any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use, to provide in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands, as specified. Under existing law, these corporations are known as mutual water companies. This bill would prohibit a mutual water company from charging, issuing a bill, or otherwise seeking to hold tenants of shareholders responsible for the costs of water or its delivery, except for specified tenants, and would require all notices of charges for water to be sent to the last known address of the shareholder or tenant, as applicable, or by electronic mail if the shareholder or tenant, as applicable, has provided and verified the use of an electronic mail address to the company within the last year. This bill contains other related provisions and other existing laws.	

Total Measures: 13

Total Tracking Forms: 13

LEGISLATIVE ADVOCACY COMMITTEE

ITEM: DISCUSSION ITEM

4. UPDATE ON SB 1139

Meeting Date: September 2, 2026 **Budgeted:** N/A

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

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: As part of the State’s “Conservation as a California Way of Life” initiative Assembly Bill 1572 (AB 1572) was signed into law in October 2023 to phase in a ban on the irrigation of nonfunctional turf starting in 2027.

“Nonfunctional turf” means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots. By contrast, “Functional turf” means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf. “Turf” has the same meaning as defined in Section 491 of Title 23 of the California Code of Regulations, which is taken to mean “turfgrass” which is a living ground cover surface of mowed grass.

AB 1572 provided that a public water system, city, county, or city and county may enforce the provisions of the new law. The District is none of those.

SB 1139 was introduced by Senator Laird at the request of the District to provide the District enforcement powers. Initially, District staff suggested including “urban water wholesalers” to the defined entities who could enforce, but that received pushback from legislative committee consultants, ACWA, and certain other water agencies. Instead, specifying the District in the Water Code was acceptable to all and was passed without controversy. Final language adopted is shown in **Exhibit 4-A**.

EXHIBITS

4-A SB 1139 as Signed into Law

EXHIBIT 4-A

Senate Bill No. 1139

CHAPTER 88

An act to amend Section 10608.14 of the Water Code, relating to water.

[Approved by Governor July 13, 2026. Filed with Secretary of
State July 13, 2026.]

Legislative Counsel's Digest

SB 1139, Laird. Monterey Peninsula Water Management District: nonfunctional turf: noncompliance and enforcement.

The Monterey Peninsula Water Management District Law establishes the Monterey Peninsula Water Management District. The act authorizes the district to, among other things, prohibit the use of district water during an emergency caused by drought, or other threatened or existing water shortage, for specific uses that the district finds to be nonessential.

Existing law prohibits the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities, as specified. Existing law requires a person or entity to be subject to civil liability or penalties by the State Water Resources Control Board, as prescribed, or to civil liability and penalties imposed by an urban water supplier, pursuant to a locally adopted ordinance or policy. Existing law authorizes a public water system, city, county, or city and county to enforce the provisions relating to the prohibition, as specified.

This bill would require a person or entity to be subject to civil liability or penalties imposed by the Monterey Peninsula Water Management District pursuant to a locally adopted ordinance or policy. The bill would authorize the Monterey Peninsula Water Management District to enforce the provisions relating to the prohibition, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Monterey Peninsula Water Management District.

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

SECTION 1. Section 10608.14 of the Water Code is amended to read: 10608.14. (a) The use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common

interest developments, and community service organizations or similar entities is prohibited as of the following dates:

(1) All properties owned by the Department of General Services, beginning January 1, 2027.

(2) All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.

(3) All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.

(4) All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029.

(5) All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

(b) Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need.

(c) The board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.

(d) Public water systems shall, by no later than January 1, 2027, revise their regulations, ordinances, or policies governing water service to include the requirements of subdivisions (a) and (b), as revised by the board pursuant to subdivision (c), and shall communicate the requirements to their customers on or before that date.

(e) (1) An owner of commercial, industrial, or institutional property with more than 5,000 square feet of irrigated area other than a cemetery shall certify to the board, commencing June 30, 2030, and every three years thereafter through 2039, that their property is in compliance with the requirements of this chapter.

(2) An owner of a property with more than 5,000 square feet of irrigated common area that is a homeowners' association, common interest development, or community service organization or similar entity shall certify to the board, commencing June 30, 2031, and every three years thereafter through 2040, that their property is in compliance with the requirements of this chapter.

(f) Noncompliance by a person or entity with this chapter or regulations adopted thereunder shall be subject to civil liability and penalties set forth in Section 1846, or to civil liability and penalties imposed by an urban retail

water supplier or the Monterey Peninsula Water Management District pursuant to a locally adopted ordinance or policy.

(g) (1) A public water system, the Monterey Peninsula Water Management District, a city, county, or city and county may enforce the provisions of this chapter.

(2) To avoid duplication of enforcement, any entity identified in paragraph (1) that is not a retail public water system shall notify the retail public water system 30 days prior to enforcement of the provisions of this chapter against a property served by such system.

(3) Nothing in paragraph (2) shall preclude enforcement by any entity identified in paragraph (1) once adequate notice is given.

(h) The department shall, when using funds appropriated for water conservation for turf replacement, prioritize financial assistance for nonfunctional turf replacement to public water systems serving disadvantaged communities and to owners of affordable housing.

(i) The department shall utilize the saveourwater.com internet website and outreach campaign to provide information and resources on converting nonfunctional turf to native vegetation.

(j) The Governor's Office of Business and Economic Development shall support small and minority-owned businesses that provide services that advance compliance with this chapter.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unintended water conservation enforcement gap that exists in the Monterey area and the need to ensure effective enforcement of nonfunctional turf water conservation requirements and consistent implementation of California's drought response policies.

LEGISLATIVE ADVOCACY COMMITTEE

ITEM: DISCUSSION ITEM

6. UPDATE ON AB 2180 AND 2B 875 OUTCOMES

Meeting Date: September 2, 2026 **Budgeted:** N/A

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

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:

AB 2180

The District participated in a coalition of water agencies supporting Assembly Bill 2180 (AB 2180) which was initiated by the Association of California Water Agencies (ACWA). See the coalition letter in **Exhibit 6-A**.

AB 2180 would authorize a local government to demonstrate the proportional cost of the service attributable to a parcel by any method that reasonably allocates the ascertainable cost of providing service to all parcels, if substantiated as provided. The bill would, however, provide that for water service fee or charge impositions, a local government is not required to provide an exact measure of the cost of the service at each parcel and may instead impose uniform or tiered rates to parcel or customer classes that are defined based on common characteristics indicative of likely water or sewer use. The bill would provide that the proportional cost of service within each tier of water service may be substantiated by using any reasonable basis for allocating costs attributed to the tier, as described, and would provide a local government discretion to determine the costs allocated to each tier as long as the rate for each tier does not exceed the proportional cost of service reasonably allocated to parcels subject to that tier.

The bill was sent to the Governor for signature on August 25th. An update will be provided to the Committee.

SB 875

The District was watching Senate Bill 875 closely because it could impact the eminent domain acquisition of the Monterey Water System.

Introduced by Sen. Scott Wiener of San Francisco, the bill would essentially revert the relevant Civil Procedure statutes to how they read before SB 1757 ((Morgan) Ch. 812, Stats. 1992) went into effect in 1993. Specifically, the bill would conclusively provide that where a public entity seeks to take privately owned electric, gas, or water public utility property by eminent domain within the PG&E service area for the same use, such use is a public necessity and more necessary than its current use. The bill would also provide that the adoption of a resolution of necessity by a local entity conclusively establishes the prerequisites for taking the property. This was the law before SB 1757 ((Morgan) Ch. 812, Stats. 1992) changed the conclusive presumptions to rebuttable presumptions. The bill would further prohibit a public utility from recovering from ratepayers any litigation costs associated with a political subdivision's efforts to acquire public utility property, as specified, including eminent domain actions.

The first thing the Senate did was amend the bill to take out water utilities – leaving only electric or gas. The Senate Judiciary Committee approved the amended bill April 15th, but the Senate Energy, Utilities, and Communications Committee killed the bill April 21st.

EXHIBITS

6-A Coalition Letter in Support of AB 2180

6-B AB 2180

EXHIBIT 6-A



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March 19, 2026

The Honorable Juan Carrillo
Chair, Assembly Committee on Local Government
State Capitol, Room 447
Sacramento, CA 95814

RE: AB 2180 (Ward) – SUPPORT

Dear Chair Carrillo:

On behalf of the Association of California Water Agencies (ACWA) and undersigned organizations, I am writing to respectfully express our strong support for AB 2180, which would clarify how water agencies comply with Proposition 218 when setting water rates. This clarification would provide much needed predictability for water agencies, support California's water-use conservation goals, and minimize unnecessary legal disputes over water rates. ACWA is pleased to sponsor this legislation and appreciates Assemblymember Ward's leadership in advancing this critical issue.

Since the passage of Proposition 218 in 1996, water agencies have been required to ensure that rates do not exceed the proportional cost of service attributable to each parcel. To meet this constitutional standard, water agencies typically engage independent experts and rely on rigorous cost-of-service studies. However, despite these efforts, high-volume water users have continued to challenge the constitutionality of water agencies' rate structures in court. Recent appellate court decisions on this matter have resulted in differing, and in some cases, conflicting, views, creating uncertainty for water agencies about how proportionality must be demonstrated. Because of this conflict, it is now both necessary and appropriate for the Legislature to clarify how the courts and water agencies should interpret the Constitution.

AB 2180 would create clear, consistent standards for water agencies statewide, helping them to confidently develop constitutionally-sound rates and continue to deliver safe and reliable water to their communities. Recent appellate court decisions, like those in *Coziahr v. Otay Water District* (2024) and *Patz v. City of San Diego* (2025), impose rigid interpretations of Proposition 218 that require unfeasible levels of precision at the expense of practical administration of water rates. For example, under these court decisions, water agencies could be forced to trace the flow of water from each source of supply to each parcel, molecule by molecule, even when water supplies are commingled in the distribution system.

Conversely, the court's December 8, 2025 decision in *Dreher v. City of Los Angeles Department of Water and Power* (2025) supports a framework that is consistent with Proposition 218 and aligns with longstanding industry practice. AB 2180 respects the wishes of voters by maintaining a rigorous standard of justifying water rates while giving water agencies the flexibility to set rates in a way that reflects the true cost of service and ensures that high-volume water users pay for the infrastructure necessary to provide reliable water supplies during droughts and times of high demand.

Public water and sewer agencies provide essential government services for the benefit of communities, agriculture, industries, and the environment. Collectively, these agencies are

responsible for ensuring a consistent and reliable water supply, safeguarding the quality of drinking water, planning, constructing, and maintaining critical infrastructure, and much more. With climate change presenting unprecedented challenges, these agencies also must adapt and enhance aging infrastructure to mitigate the impacts of increasingly frequent and severe climate-related events. Public agencies throughout California are making generational investments to build 21st Century infrastructure for a 21st Century climate while making every effort to keep water affordable.

Without legislative clarification, water agencies and ratepayers will both continue to face costly and unnecessary legal disputes. The revenue necessary for water agencies to fulfill their essential government functions comes almost entirely from service rates and assessments subject to Proposition 218. The recent rise in litigation has made it increasingly difficult for water agencies to have the financial stability they need to provide reliable, safe, and affordable water to Californians.

For these reasons, ACWA and the undersigned organizations strongly support AB 2180 and respectfully request your “AYE” vote when the bill is heard in the Assembly Local Government Committee. If you have any questions about our position or this bill, please contact Soren Nelson at SorenN@acwa.com.

Sincerely,

Soren Nelson
Senior Policy Advocate
Association of California Water Agencies

Brian Macy
General Manager
Mission Springs Water District

Adam Larsen
General Manager
San Juan Water District

Brian Olney
General Manager
Helix Water District

Albert C. Lau, P.E.
General Manager
Santa Fe Irrigation District

Charles Delgado
Legislative Advocate
California State Association of Counties

Andrea Abergel
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Craig D. Miller, P.E.
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David M. Merrit
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David Pedersen
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Deanna Jackson
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Esther M. Saenz
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James Lee
General Manager
Crescenta Valley Water District

James Peifer
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Jed Smith
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Marin Water

Jeff Gouveia
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Jessica Self
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Union Public Utility District

Joe Mouawad, P.E.
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Eastern Municipal Water District

John Thiel
General Manager
West Valley Water District

Jose Martinez
General Manager
Otay Water District

Justin Hopkins
General Manager
Stockton East Water District

Justin Scott-Coe
General Manager/Chief Executive Officer
Monte Vista Water District

Keith Van Der Maaten
General Manager
Laguna Beach County Water District

Kevin Phillips
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Paradise Irrigation District

Kimberly A. Thorner
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Olivenhain Municipal Water District

Krista Bernasconi
Mayor
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Kyle Swanson
General Manager/Chief Executive Officer
Padre Dam Municipal Water District

Lindsay Leahy
General Manager
Valley Center Municipal Water District

Mandip Samra
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Marcus Detwiler
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Mary Rogren
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Coastside County Water District

Matt Stone
General Manager
Santa Clarita Valley Water Agency

Matthew Hurley
General Manager
McMullin Area Groundwater Sustainability
Agency

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Melissa Sparks-Kranz
Legislative Advocate
League of California Cities

Michael Minkler
General Manager
Calaveras County Water District

Nicholas Schneider
General Manager
Georgetown Divide Public Utility District

Norman Huff
General Manager
Camrosa Water District

Pat Kaspari
General Manager
McKinleyville Community Services District

Paul Cook
General Manager
Irvine Ranch Water District

Paul Hughes
General Manager
South Tahoe Public Utility District

Pravani Vandeyar
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El Dorado Irrigation District

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Sean Barclay
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Sherry Shaw
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Walnut Valley Water District

Steven Haugen
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Kings River Water Association

Thomas Neisler
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Tehachapi-Cummings County Water District

Tia Fleming
Executive Director
California Water Efficiency Partnership

Timothy R. Shaw
General Manager
Rio Linda Elverta Community Water District

Tom Coleman
General Manager
Rowland Water District

Tony Williams
General Manager
North Marin Water District

CHAPTER _____

An act to add Section 53751.5 to the Government Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2180, Ward. Local government: Proposition 218 Omnibus Implementation Act: proportional cost of service.

The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency. As part of those requirements, the California Constitution mandates that such fees or charges that are extended, imposed, or increased satisfy certain requirements, including, but not limited to, that the amount of the fee or charge imposed upon any parcel or person as an incident of property ownership not exceed the proportional cost of the service attributable to the parcel.

Existing law, known as the Proposition 218 Omnibus Implementation Act (act), prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances.

This bill would authorize a local government to demonstrate the proportional cost of the service attributable to the parcel by any method that reasonably allocates the ascertainable cost of providing service to all parcels, if substantiated as provided. The bill would, however, provide that for water or sewer service fee or charge impositions, a local government is not required to provide an exact measure of the cost of the service at each parcel and may instead impose uniform or tiered rates to parcel or customer classes that are defined based on common characteristics indicative of likely water or sewer use. The bill would provide that the proportional cost of service within each tier of water service may be substantiated by using any reasonable basis for allocating costs

attributed to the tier, as described, and would provide a local government discretion to determine the costs allocated to each tier as long as the rate for each tier does not exceed the proportional cost of service reasonably allocated to parcels subject to that tier. The bill would specify that its provisions do not apply to fees for water connections or sewer connections, or capacity charges, as specified.

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

SECTION 1. Section 53751.5 is added to the Government Code, to read:

53751.5. (a) For any fee or charge adopted under Section 6 of Article XIII D of the California Constitution, “the proportional cost of the service attributable to the parcel” may be demonstrated by any method that reasonably allocates the ascertainable cost of providing service to all parcels. That allocation shall be substantiated by historic, existing, estimated, or projected data that reasonably captures the cost of the service to be provided.

(b) Notwithstanding subdivision (a), when imposing a fee or charge for water or sewer service, an agency is not required to provide an exact measure of the cost of the service at each parcel and an agency may impose uniform or tiered rates to parcel or customer classes that are defined based on common characteristics indicative of likely water or sewer use, including, but not limited to, the nature and size of improvements to a parcel, land use, the nature or number of plumbing fixtures, meter size, or peak use characteristics.

(c) (1) When imposing a tiered rate for water service, an agency may substantiate the proportional cost of the service within each tier by using any reasonable basis for allocating costs attributed to the tier, including, but not limited to, the following:

(A) The cost of water from various sources.

(B) Facilities operation, maintenance, or construction costs.

(C) Contribution to systemwide peak demand projections.

(D) Costs that an agency incurs as a result of the use of water at various tiers or to implement water conservation or demand management measures, or incremental costs, as that term is used in Chapter 3.4 (commencing with Section 370) of Division 1 of the Water Code.

(2) An agency is not required to have a cost-based, or any other, justification for establishing any tier breakpoint. For purposes of this paragraph, “tier breakpoint” means the point where a customer leaves one tier and enters another tier.

(3) An agency has discretion to determine the costs allocated to each tier, provided that the rate assigned to each tier does not exceed the proportional cost of service reasonably allocated to parcels subject to that tier.

(d) This section shall not apply to fees for water connections or sewer connections, or capacity charges, subject to Section 66013.