



Santa Clara Valley Water District

File No.: 25-0998

Agenda Date: 3/24/2026

Item No.: 4.3.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt Recommended Positions on State Legislation: AB 2051 (Wicks) Public Resources: Coastal Resilience Permitting Working Group, SB 872 (McNerney) Climate Change: Funding Priorities, SB 1085 (Durazo) Water Supply Planning: California Environmental Quality Act Determination, SB 1153 (Caballero) Disaster Preparedness: Urban Retail Water Suppliers And Public Water Systems: Wildfire, and Other Legislation Which May Require Urgent Consideration for a Position by the Board.

RECOMMENDATION:

- A. Adopt a position of "Support" on: AB 2051 (Wicks) Public Resources: Coastal Resilience Permitting Working Group;
- B. Adopt a position of "Support and Amend" on: SB 872 (McNerney) Climate Change: Funding Priorities;
- C. Adopt a position of "Support" on: SB 1085 (Durazo) Water Supply Planning: California Environmental Quality Act Determination;
- D. Adopt a position of "Support" on: SB 1153 (Caballero) Disaster Preparedness: Urban Retail Water Suppliers and Public Water Systems: Wildfire.

SUMMARY:

AB 2051 (Wicks) Public Resources: Coastal Resilience Permitting Working Group (Introduced - 02/18/2026)

Position Recommendation: Support

Priority Recommendation: 2

AB 2051 directs the California Natural Resources Agency (CNRA), in consultation with the California Environmental Protection Agency (CalEPA), to convene an interagency Coastal Resilience Permitting Working Group to identify administrative actions and legislative recommendations to streamline and accelerate permitting for coastal resilience and sea level rise adaptation projects.

This bill establishes a structured, collaborative process to improve coastal resilience permitting through administrative reform, interagency coordination, and identifying future legislative action. Specifically, the bill would:

- Require CNRA and CalEPA to convene a Coastal Resilience Permitting Working Group,

including relevant agencies and commissions.

- Direct the Working Group to develop a Coastal Resilience Permitting Roadmap that:
 - Identifies administrative reforms that agencies can implement under existing authority.
 - Recommends standardized and predictable permitting processes.
 - Assesses agency workforce needs & funding strategies to recruit and retain qualified permitting staff.
 - Identifies potential areas for legislative reform to accelerate permitting.
- Establish coastal and Bay advisory groups composed of federal agencies, local governments, special districts, and coastal interest groups to advise the Roadmap process and recommend permitting strategies.

Impact to Santa Clara Valley Water District (Valley Water)

California's current coastal permitting system presents substantial barriers to timely and cost-effective project delivery. These barriers reduce the effectiveness of public funding, increase costs for projects, and slow the delivery of urgently needed resilience improvements. Without targeted reforms, permitting bottlenecks threaten California's ability to implement climate adaptation at the scale and pace required.

AB 2051 is co-sponsored by the Bay Planning Coalition and the Bay Area Council.

Staff recommends that the Board adopt a position of "Support" on AB 2051.

Pros

- The creation of the working group allows for a thorough, collaborative process.
- This targeted, collaborative approach, if successful, would serve as a model for others to follow.

Cons

- The creation of a working group, rather than legislation with direct statutory reform, could delay the implementation of needed changes.
- The targeted focus on coastal resilience projects on the California coast and San Francisco Bay fails to address similar permitting challenges across many water infrastructure projects.

SB 872 (McNerney) Climate Change: Funding Priorities (Amended - 02/18/2026)

Position Recommendation: Support and Amend

Priority Recommendation: 2

The Sacramento-San Joaquin River Delta and the State Water Project (SWP) together make up

California's primary water source, providing freshwater supplies to 27 million people, businesses, and farms in the Central Valley, the Bay Area, and Southern California.

But the Delta's levees and the SWP's water canals are in desperate need of repair. Many of the Delta's aging levees are at risk of collapse, threatening the region with catastrophic flooding. And the SWP's canals are being seriously impacted by sinking land, imperiling up to 80% of the system's water supplies.

SB 872 protects California's main water system by directing \$300 million annually in Greenhouse Gas Reduction Fund (GGRF) dollars to essential levee repairs in the Delta and shoring up SWP's canals to prevent interruptions in essential water deliveries.

Impact to Valley Water

Approximately 40% of our water supplies are conveyed through the Delta by the SWP and the Central Valley Project (CVP).

Subsidence, or the sinking of land due to loss of groundwater or soil matter, is one of the greatest challenges facing California's water infrastructure. Over-pumping of groundwater has led to significant land subsidence along the California Aqueduct, which delivers water from the Delta to much of the state. If not repaired, subsidence threatens to reduce the water-carrying capacity of the SWP by 87% by 2040.

Subsidence repairs to the SWP are estimated to cost about \$3 billion over 20 years. Without this investment, subsidence damage will lead to higher costs and risks to California ratepayers who are already struggling with multiple affordability issues.

The Sacramento-San Joaquin River Delta, which provides the state's main supply of water, consists of 1,100 miles of levees that protect our freshwater from saltwater intrusion. It also provides essential flood protection for that region, including for more than 500,000 people, farms, and businesses, while also supporting a vibrant ecosystem of plants and animals.

However, many of these critical levees date back to the 1800s and no longer meet the US Army Corps of Engineers' safety standards. The levees are at risk of breaching - a grave threat to human lives, property, and drinking water supplies. The Delta Stewardship Council estimates that the necessary levee improvements will cost about \$3.24 billion in total and protect \$22 billion in state assets.

Sponsored by the State Water Contractors and Restore the Delta, SB 872 brings together traditional adversaries to support projects that will benefit the entire state and secure critical funding for needed repairs.

Staff recommends that the Board adopt a position of "Support and Amend" on SB 872. Our recommended amendment would allow subsidence repair funding to be used on all conveyance facilities, not just those that are a part of the State Water Project.

Pros

- Provides much-needed funding for critical water infrastructure.
- Brings together traditional adversaries with a shared common goal - protecting vital water infrastructure.

Cons

- As currently written, the bill excludes CVP conveyance facilities that also require subsidence repairs.
- Dedicates a significant amount of the legislature's discretionary GGRF funding to addressing subsidence and levee repair, thus reducing the amount of available funding to other alternatives.

SB 1085 (Durazo) Water Supply Planning: California Environmental Quality Act Determination (Introduced - 02/13/2026)

Position Recommendation: Support

Priority Recommendation: 2

SB 1085 requires any project meeting the definition in Water Code Section 10912(a) to be subject to a Water Supply Assessment (WSA), regardless of whether the project is subject to the California Environmental Quality Act (CEQA). Under current law, WSAs are typically required when a qualifying development project undergoes CEQA review. However, recent legislation has created statutory CEQA exemptions for certain housing and manufacturing projects. As a result, some projects that meet the Water Code demand thresholds may no longer trigger a WSA. SB 1085 rectifies this loophole by requiring large development projects to continue evaluating long-term water supply reliability, even if they are exempt from CEQA.

Impact to Valley Water

Valley Water serves as the wholesale water supplier and groundwater manager for approximately 2 million residents in Santa Clara County. The WSA process is an important planning tool that ensures large development projects have identified reliable water supplies and necessary infrastructure before receiving approval. As climate change continues to affect water availability and droughts increase in duration and intensity, maintaining this process is critical to protecting long-term water supply reliability and ratepayer interests.

In recent years, the Legislature has adopted several measures to streamline development by expanding CEQA exemptions. For example, AB 130 (Committee on Budget, 2025) created a CEQA exemption for certain qualifying housing projects under 20 acres, and SB 131 (Committee on Budget and Fiscal Review, 2025) established an exemption for projects

consisting exclusively of advanced manufacturing facilities. While these policies were intended to accelerate development, they also removed the CEQA trigger that historically required a WSA for qualifying projects. SB 1085 addresses this unintended consequence by ensuring that projects meeting Water Code thresholds remain subject to a WSA, regardless of CEQA status.

By preserving the WSA requirement, SB 1085 promotes early coordination between water suppliers and developers, supports responsible growth, and helps prevent approval of projects without adequate long-term water supply planning.

Staff recommends that the Board adopt a position of “Support” on SB 1085.

Pros

- Maintains long-term water supply planning for large development projects.
- Ensures water supply reliability is evaluated even when projects are exempt from CEQA.
- Protects ratepayers from the risks associated with insufficient water planning.
- Promotes early coordination between water suppliers and developers.

Cons

- May be perceived as adding an additional procedural requirement to housing projects exempt from CEQA.
- Could face opposition from builders concerned about development timelines.

SB 1153 (Caballero) Disaster Preparedness: Urban Retail Water Suppliers and Public Water Systems: Wildfire (Introduced - 02/18/2026)
Position Recommendation: Support
Priority Recommendation: 2

As wildfires are becoming more frequent and destructive across California, misunderstandings of the limitations of public water systems have led to unrealistic public expectations, and the financial burden of litigation ultimately is borne by ratepayers, impacting water affordability.

SB 1153 would establish that water supply or pressure limitations during a wildfire are not a substantial cause of wildfire damage, and that wildfire spread is not an inherent risk of water system design. The bill would make key findings and declarations regarding the roles and limitations of public water systems in responding to wildfires.

SB 1153 would also strengthen wildfire preparedness for public water systems in high-risk fire areas by requiring urban retail water suppliers serving high- or very-high fire hazard severity zones to include wildfire-specific incident response procedures in their emergency response plans, beginning January 1, 2028.

Impact to Valley Water

California faces catastrophic climate-driven wildfires, exacerbated by periods of heavy rainfall followed by periods of extreme drought. These wildfires place extraordinary demands on water systems.

Public water systems are designed to provide customers with safe, reliable drinking water and aid in structural firefighting for the properties they serve. They are not designed, intended, or funded to supply the significant volume of water necessary for large-scale wildfire defense and suppression, and doing so would be physically impracticable, financially infeasible, and would compromise water quality and affordability.

Water systems can become overwhelmed when too many fire hydrants are used within the same pressure zone. For a structural fire, three to five fire engines might respond. During a wildfire, there can be hundreds of fire engines connected to the same system. Wildfires can also damage pipelines, storage tanks, and power infrastructure, further limiting system performance.

Misunderstandings of the limitations of public water systems have led to unrealistic public expectations and to the perception that water systems underperformed following a wildfire event. Following major wildfire events, public water agencies have increasingly faced claims and lawsuits for wildfire damage. The financial burden of litigation ultimately is borne by ratepayers, impacting water affordability.

SB 1153 is sponsored by the Association of California Water Agencies (ACWA). Staff recommends that the Board adopt a position of “Support” on SB 1153.

Pros

- Strengthens preparedness by requiring urban retail water suppliers in high and very high fire hazard severity zones to incorporate wildfire-specific response procedures into existing emergency plans, beginning January 1, 2028.
- Establishes that water supply or pressure limitations during a wildfire are not a substantial cause of wildfire damages.
- Affirms system design limits by recognizing that wildfire spread is not an inherent risk of water system design.
- Protects ratepayers, supports emergency response, and ensures the long-term

reliability of California's drinking water systems.

Cons

- None.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item. The Board's position does not enact the legislation discussed above. If the enactment of state legislation necessitates an action by the Board, any associated Environmental Justice impacts will be assessed when the Board considers the action.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

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