

# LEGISLATIVE SUMMARY

## SEPTEMBER 2025



This State Legislature adjourned the first year of its 2025-26 legislative session on September 18th at midnight. Governor Newsom faced a budget deficit for a third consecutive fiscal year and spent much of the calendar year managing the physical impact and total economic loss of the LA fires at the outset of the legislative session. This year, NCWA advocated several important issues for the Sacramento Valley, including groundwater, healthy rivers and landscapes, water resources management and funding opportunities for our members and partners. NCWA and its members continued additional lobbying support through Kirk Kimmleshue and Soyla Fernandez, who represent the firm of [Fernandez Jensen Kimmleshue Government Affairs](#). Kirk and Soyla's lobbying efforts and respected relationships in the State Capitol were paramount to our engagement this year, and with Kam Bezdek joining as Legislative Affairs Director in July, NCWA was fully prepared for the negotiations across multiple priorities that took place at the end of session. The following is a summary of NCWA's legislative advocacy over the course of the year:

### Sponsored Legislation

**[AB 59 \(Aguiar-Curry\):](#)** On behalf of Reclamation District (RD) 108, NCWA was pleased to sponsor AB 59, authored by local Assemblywoman Cecilia Aguiar-Curry of District 3 (Winters). This bill would remove a January 1, 2026 sunset date from RD 108's existing hydropower authorization that was created by AB 568 (Dodd, 2015).

We were pleased to work closely with RD 108 and Colusa County Supervisor Daurice Kalfsbeek Smith, as well as Assemblymember Aguiar-Curry's staff, to progress the bill through its policy committees, fiscal committees and across both the Assembly and Senate floors. AB 59 is currently awaiting Governor Newsom's signature and must be signed before October 13th at midnight.

### Groundwater

The Legislature saw an increase in legislation over the last two cycles that sought to adjust the state's regulatory framework for groundwater management and create exemptions to the Sustainable Groundwater Management Act (SGMA). The sustainable management of groundwater resources under SGMA is critical to the economic, social and environmental fabric in the Sacramento Valley and is an essential element of ridgetop to river mouth water management. To support the ongoing efforts to achieve regional water sustainability, NCWA and its partners engaged in lobbying efforts to seek meaningful solutions and halt measures that would undermine the integrity of SGMA and sustainable groundwater management in California.

**[AB 1413 \(Papan\):](#)** This bill would have required a groundwater sustainability agency to, at least once every 7 years, review, and potentially update its sustainable yield and to solicit public input within

that process. While this bill was highly divisive among the broader community, NCWA maintained a neutral position. The bill underwent significant amendments in the Senate Appropriations Committee, and ultimately the author decided to pursue the measure as a 2-year bill.

**[AB 929 \(Connolly\)](#):** This bill would create exemptions under SGMA for managed wetlands and small community water systems. AB 929 was previously introduced by Asm. Connolly as AB 828 in 2024. NCWA and the larger opposition coalition advocated that while community water systems and managed wetlands are important water uses in California, the Legislature and agencies should focus on ensuring both reliable surface and groundwater supplies for these important uses of water instead of granting broad exemptions from SGMA. NCWA and its partners successfully lobbied to oppose this measure, which eventually turned into a two-year bill at the end of the session.

## **Water Rights**

We firmly believe that California's existing water rights structure and system are working in the Sacramento Valley to serve water for multiple benefits, including cities and rural communities, farms and ranches, fish and wildlife, recreation, and hydropower. Tribes in the Sacramento Valley depend upon the exercise of water rights for their communities, farms, and food processing and many disadvantaged communities depend upon water rights and the delivery of affordable and high quality water supplies. The water rights system also allows water to spread out and slow down on the landscape, which is dependent upon a modern water system and essential to a functional Sacramento Valley where water serves multiple benefits.

While multiple consecutive years of legislation followed from the release of Planning and Conservation League's (PCL) report [Updating California Water Laws to Address Drought and Climate Change](#), successful lobbying efforts by NCWA and the larger coalition halted legislative measures that proposed major overhauls of the water rights system, which were unnecessary and threatened to create widespread instability and disruption to our economy, environment, the water management landscape, and our way of life. As a result, this year saw significantly fewer bills that would make substantial changes to the existing water rights system.

**[AB 1146 \(Papan\)](#):** This measure would prohibit the release of stored water from a reservoir owned and operated by the United States if the release is done under "false pretenses," which the bill defines as "a release of water from a reservoir owned and operated by the United States in a manner that is knowingly, designedly, and intentionally under any false or fraudulent representation" of its intended use of the water. Additionally, the bill would authorize the State Water Resources Control Board or the Attorney General, as provided, to issue injunctive relief for a violation of the prohibition described. While NCWA remained neutral on this legislation, the coalition of water and agricultural organizations in opposition advocated that the measure would create "unprecedented regulatory authority" and "create uncertainty for reservoir operators and water rights owners." This bill was amended by several committees throughout the legislative process, and the author chose to pursue the measure as a two-year bill.

**[AB 263 \(Rogers\)](#):** This bill would extend the emergency regulations adopted by the State Water Resources Control Board (State Water Board) for the Scott River and Shasta River watersheds to January 1, 2031, or until the State Water Board adopts permanent rules establishing and implementing long-term instream flow requirements in the watersheds. NCWA and other groups in opposition were greatly concerned with the precedent that AB 263 would set for future emergency regulations throughout the state: for any other State Water Board process, decision or action with engagement by a diverse group of interested parties with a stake in the outcome, parties could seek to extend emergency regulations or seek a preferred regulatory outcome through legislation rather than through the State Water Board's existing rulemaking processes. This bill was passed by the legislature and was sent to Governor Newsom's desk for signature. As part of a larger coalition, NCWA is actively advocating against this measure in the Governor's office.

**[AB 430 \(Alanis\)](#):** This bill would require the State Water Resources Control Board (State Water Board) to conduct a comprehensive economic study assessing the impacts of an emergency regulation, following a finding by the State Water Board that the emergency regulation in question is no longer necessary. While NCWA supported this bill, the measure was determined to have significant fiscal impact to the State and the author decided to pursue the measure as a two-year bill.

**[SB 601 \(Allen\)](#):** In a response to the Sackett v. EPA ruling issued by the Supreme Court in 2023, this bill would authorize the state board to adopt water quality control plans for nexus waters, which the bill would define as all waters of the state that are not also navigable, except as specified. The opposition, including NCWA, ACWA, and SWC advocated that the proposed category of "nexus waters" was vague and that the bill would vastly expand current regulatory authority without Legislative oversight. Successful efforts by opposition saw the author choose to pursue this measure as a two-year bill.

## **Water Infrastructure**

NCWA fully supports and will continue to work hard to modernize our water infrastructure to support 21st century water management, including advocating for landmark investments in existing and future solutions that advance water supply reliability for a sustainable and vibrant future in California.

**[SB 72 \(Caballero\)](#):** This bill would require the Department of Water Resources to develop a long-term water supply planning target for 2050, and establishes an interim target to develop an additional nine million acre-feet (AF) of water by 2040, as part of the [California Water Plan](#). NCWA joined a coalition to advocate for this measure to be signed by Governor Newsom, which would see the alignment of the State's water supply strategy and policies with a target that will result in an adequate and reliable water supply for all beneficial uses, including safe and affordable drinking water, agriculture, other businesses, the economy and the environment. This bill passed out of the legislature and is currently on the Governor's desk.

**[AB 269 \(Bennett\)](#):** This bill would have made dam removal project eligible for funding under the Dam Safety and Climate Resilience Local Assistance Program through the Department of Water

Resources. NCWA and many of its members joined in opposition and advocated that the bill would dilute already limited funding that would otherwise strengthen the integrity of dams that serve as critical infrastructure for water storage and diversion and would protect millions of Californians from catastrophic flooding during wet seasons. NCWA and its partners successfully lobbied against this bill, which was pulled from the Assembly Water Parks and Wildlife Committee before its hearing. The author decided to pursue this measure as a two-year bill.

**AB 295 (Macedo)**: This bill would extend the application of the Jobs and Economic Improvement Through Environmental Leadership Act to water storage projects, water conveyance projects, and groundwater recharge projects that provide public benefits and drought preparedness. While NCWA supported this legislation, the author decided to pursue this measure as a two-year bill prior to its first committee hearing.

## **Wildlife and Natural Resources**

NCWA is dedicated to fostering a resilient Sacramento Valley where water resources support vibrant communities, thriving farmlands, abundant wildlife habitats, and healthy rivers.

**AB 687 (Patterson)**: This bill authorizes projects exclusively for noncommercial wildfire fuels reduction in timberland, paid for whole with public funds, to prepare a timber harvesting plan (THP) as an alternative to complying with the California Environmental Quality Act (CEQA), and would require these projects to be regulated as timber operations. NCWA supported this legislation, and the measure became a two-year bill in the Senate Natural Resources and Water Committee.

**AB 1169 (Gonzalez)**: This bill, among other provisions, would raise the compensation available to a landowner who participates in the Shared Habitat Alliance for Recreational Enhancement (SHARE) program, which provides important recreational opportunities for hunting and fishing, for the 2026 calendar year. While NCWA supported this legislation, the author decided to pursue this bill as a two-year bill at the end of session.

## **Healthy Rivers and Landscapes**

By taking a nature-based approach from the ridgetops in the Sierra Nevada and Coast Range to the river mouth of the San Francisco Bay, we can help create a vibrant and healthy ecosystem in our rivers and the Delta that is functional for people and fish and wildlife throughout the region. This means investing in healthy rivers and the landscapes that support them for fish and wildlife habitat, nourishment and sustenance for our farm fields, high-quality drinking water for all communities, recreation opportunities, hydropower, and healthy forests.

**HRL in the State Budget**: The State faced a significant budget deficit for the third consecutive year, and the Legislature originally sought to cut \$351 million for the Healthy Rivers and Landscapes program for FY 2026. Lobbying efforts by NCWA, ACWA, SWC and others ensured that the Budget Bill signed by Governor Newsom ultimately restored the \$351 million to the program.

## FY 2025-26 State Budget

In late June, Governor Newsom enacted the 2025-26 Budget Package, which solves for a projected \$11.6 billion deficit. The budget, part of an agreement between the Governor, Senate President Pro Tempore Mike McGuire, and Assembly Speaker Robert Rivas, maintains the multi-year fiscal structure that was approved in the 2024-25 fiscal year, and extends the structure into 2028-29. Below is a breakdown of the solutions package, in billions:

Category	2025-26
Reductions	\$2.80
Revenue	\$7.80
Fund Shifts	\$1.20
Total	\$11.60

### Budget Highlights

While the State Budget process made several key investments, much of the State's expenditure in the Climate and Natural Resources sectors was deferred to later in the session.

- Approves a \$500 million annual fund shift in 2025-26 and 2026-27 for CalFIRE baseline operations.
- Restores \$351.7 million for the Healthy Rivers and Landscapes program for FY 2026.
- Appropriates \$562,000 Prop. 4 funding to the California Natural Resources Agency, \$1.2 million Proposition 4 funding to the Department of Parks and Recreation, and \$246,0000 Proposition 4 funding to the Department of Water Resources, for support staff setup of bond appropriations/systems.

To see a full summary of the signed State Budget, see [here](#).

### End of Session Negotiations

During the final four weeks of the legislature, negotiations on several of the Newsom Administration's critical priorities took place up until the legislative deadlines. NCWA and its partners worked hard with the Legislature and the Administration to ensure the Sacramento Valley's voice was heard amidst the chaos that ensued at the end of session.

**Proposition 50:** While NCWA had no official position on the redistricting effort by Governor Newsom, also known as Proposition 50, the effort undoubtedly affected the Legislature's timeline to pass major legislation. The Legislature dedicated a full week to the redistricting discussions and votes. Proposition 50 was ultimately approved by the Legislature in late August and will appear on the November 2025 ballot.

**Cap and Invest:** Formerly known as the Cap and Trade Program, the Governor sought reauthorization of the program in 2025, which notably directs revenues from the state's Greenhouse Gas Reduction Fund (GGRF) towards programs that support other administrative priorities, such as for clean air and water quality. Lobbying efforts by NCWA and a broad coalition of environmental groups, water interests and other entities saw the reauthorization of the [Safe and Affordable Fund for Equity and Resilience](#) (SAFER) through 2045, with no user fees. This was signed by the Governor on September 19.

**Delta Conveyance Project (DCP) Trailer Bill:** The Governor's May Revise originally proposed [trailer bill language](#) to streamline processes associated with the DCP in an attempt to accelerate the project. The Governor's office looked to introduce new trailer bill language at the end of session, which became an active part of the negotiations taking place, but there was ultimately no trailer bill language introduced before the deadline. NCWA remained neutral on this issue.

To read the NCWA Board's statement on the Delta Conveyance Project, [see here](#).

**CEQA Exemption for Water Quality Control Plans (WQCP) Trailer Bill:** The Governor's May Revise proposed [trailer bill language](#) to exempt WQCPs from CEQA provisions by designating WQCPs as "Class 8" actions, defined as actions "to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment." NCWA joined a broad coalition to support the trailer bill as a pilot program and requested the inclusion of a two-year sunset provision. Despite lobbying efforts by NCWA, ACWA, the California Chamber of Commerce, and SWC, negotiations ultimately concluded without the introduction of this trailer bill language.

## Climate Bond

Proposition 4, also known as the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, was passed by voters in the November 2024 elections. This year provided the Legislature with the opportunity to craft the expenditure plan for the funds authorized by Proposition 4.

NCWA welcomes the expenditure of Proposition 4 funding for priority issues, such as groundwater recharge, water quality improvements and dam safety.

Negotiations between the Senate and Assembly on a Proposition 4 expenditure plan were ongoing throughout the end of session and several proposals were considered by both houses, before the Legislature ultimately agreed to an expenditure plan that was signed by the Governor on September 17, 2025. Overall, \$3.2 billion in expenditure was outlined for the 2025-26 fiscal year.

If you have any questions or would like additional information on the 2024-25 legislative session, please contact me at [kbezdek@norcalwater.org](mailto:kbezdek@norcalwater.org).