



**WATER
AGENCY**

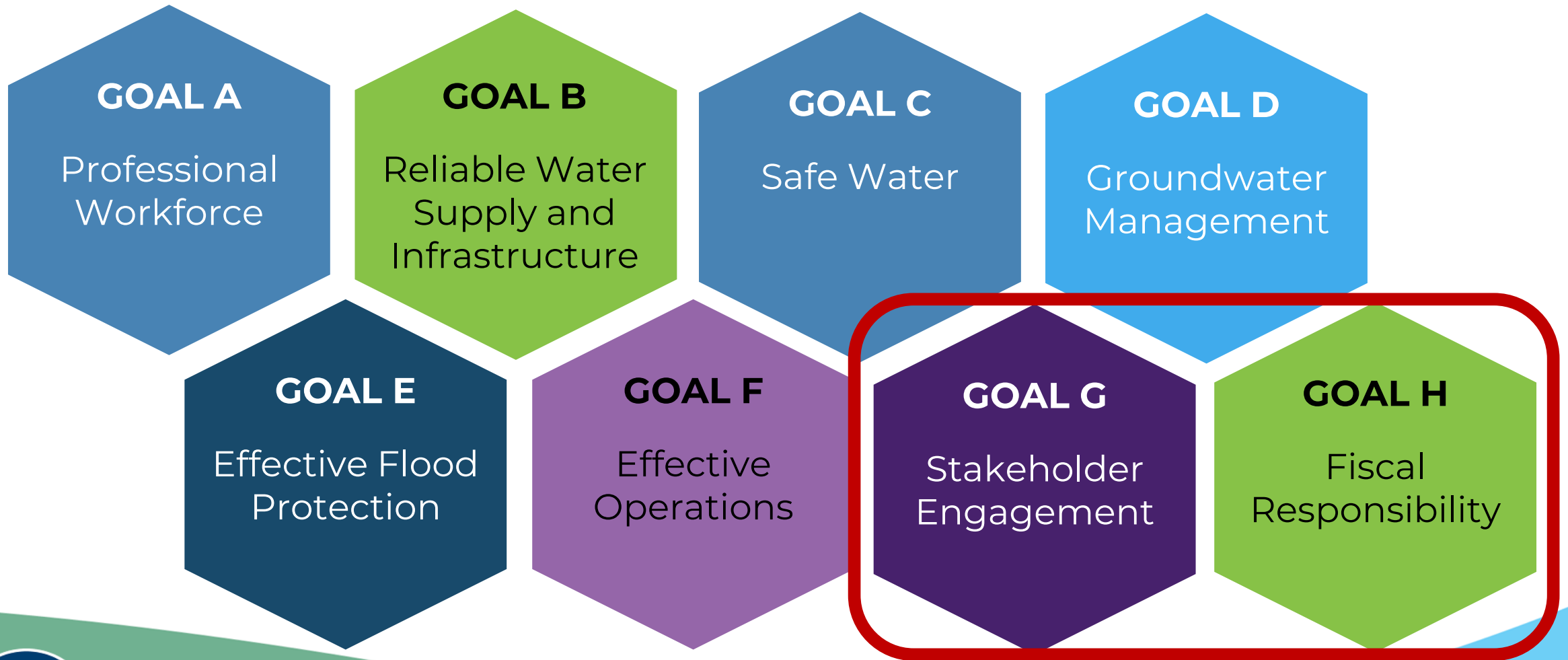
Legislative Orientation

August 13, 2026

Overview

- Zone 7's Legislative Framework and Platform
- California Legislative Process
- State Budget
- 2026 Ballot Measures
- Related Matters
 - Federal
 - Regulatory
 - Projects/Programs

2025-2029 Strategic Plan



Government Relations

- Carol Mahoney, Government Relations Manager
- Focuses primarily on State legislative actions, but follows key Federal issues and funding opportunities
- Legislative Committee meets approximately every other month or as needed during the legislative season
- Legislative Framework and Platform is reviewed annually and adopted by the Board
- Regular updates to Board, retailers, and public through staff reports

GOALS

Advocate

the Agency's legislative interests at the:

- State
- Region
- Federal Levels

Inform

by providing information to:

- Legislators, Board of Directors, other elected officials and staff on key issues and legislation that could have an impact on the Agency

Serve

by actively participating with:

- Other water purveyors and special districts, the Association of California Water Agencies (ACWA), California Special Districts Association (CSDA), California Municipal Utilities Association (CMUA) and regional agencies on legislative/regulatory issues that are important to the Agency

From 2026 adopted Legislative Framework

LEGISLATIVE PLATFORM

Uses Strategic Plan as a guide to consider actions on matters that impact:

- **Water Supply**: Reliable, sustainable, or affordable water supply, management and protection of the groundwater basin, Water Quality Policy, and providing adequate infrastructure.
- **Groundwater**: Ability to operate as the Groundwater Sustainability Agency (GSA) or impact local control.
- **Operational Functionality**: Including energy, infrastructure, agency administration, governance, construction, maintenance, permitting, project delivery, safety and security.
- **Government Functionality**: Ability to operate as a special district, water supplier, flood protection manager and government organization.
- **Fiscal Management**: Ability to manage revenue, administer financial accounts, achieve fiscal stability, and maintain a skilled, motivated, professional workforce. Affordability of Zone 7's water or flood protection services.
- **Energy Management**: Energy projects and programs, including agreement structures, funding, financing, permitting, construction, maintenance, and accessibility.

COALITION ORGANIZATION EXAMPLES

- Association of California Water Agencies (ACWA)
- Bay Area Council (BAC)
- California Association of Sanitation Agencies (CASA)
- California Municipal Utilities Association (CMUA)
- California Special Districts Association (CSDA)
- California State Association of Counties (CSAC)
- County Engineers Association of California (CEAC)
- National Waterways Conference (NWC)
- State Water Contractors (SWC)

*HOW A BILL BECOMES LAW



* From Politico California



AN IDEA IS BORN

CITIZEN OR LEGISLATOR
SUGGEST LEGISLATION

SENATOR AUTHORS BILL



LANGUAGE IS PERFECTED

LEGISLATIVE COUNSEL
DRAFTS BILL AND RETURNS
TO SENATOR



THE BILL IS INTRODUCED

BILL IS INTRODUCED
TO SENATE DESK,
NUMBERED AND READ
FIRST TIME

BILL IS PRINTED

RULES COMMITTEE
ASSIGNS BILL TO
COMMITTEE



COMMITTEE REVIEWS

COMMITTEE HEARINGS
AND 30 DAY HOLD

SECOND READING

- ✓ Engrossed
- ✓ Amended, to print, engrossed
- ⊗ Amended, to print, re-referred

THIRD READING
AND ROLL CALL VOTE

- ✓ Pass
- ⊗ Defeated
- ⊗ Inactive



READ A SECOND & THIRD TIME

DELIVERED TO ASSEMBLY
DESK, INTRODUCED, AND
ASSIGNED TO COMMITTEE
FOR HEARINGS

SECOND READING

- ✓ Engrossed
- ✓ Amended, to print, engrossed
- ⊗ Amended, to print, re-referred

THIRD READING
AND ROLL CALL VOTE

- ✓ Pass
- ⊗ Defeated
- ⊗ Inactive



THE NEXT HOUSE REPEATS

RETURNED TO SENATE
WITHOUT AMENDMENTS

- ✓ Senate concurs
- ⊗ Senate refuses concurrence and conference committee assembles

MOVES TO ENROLLMENT



THE GOVERNOR ADJUDICATES

MOVES TO GOVERNOR
WHO HAS 12 DAYS TO ACT

- ✓ Signs bill
- ✓ Bill passes without signature
- ⊗ Veto

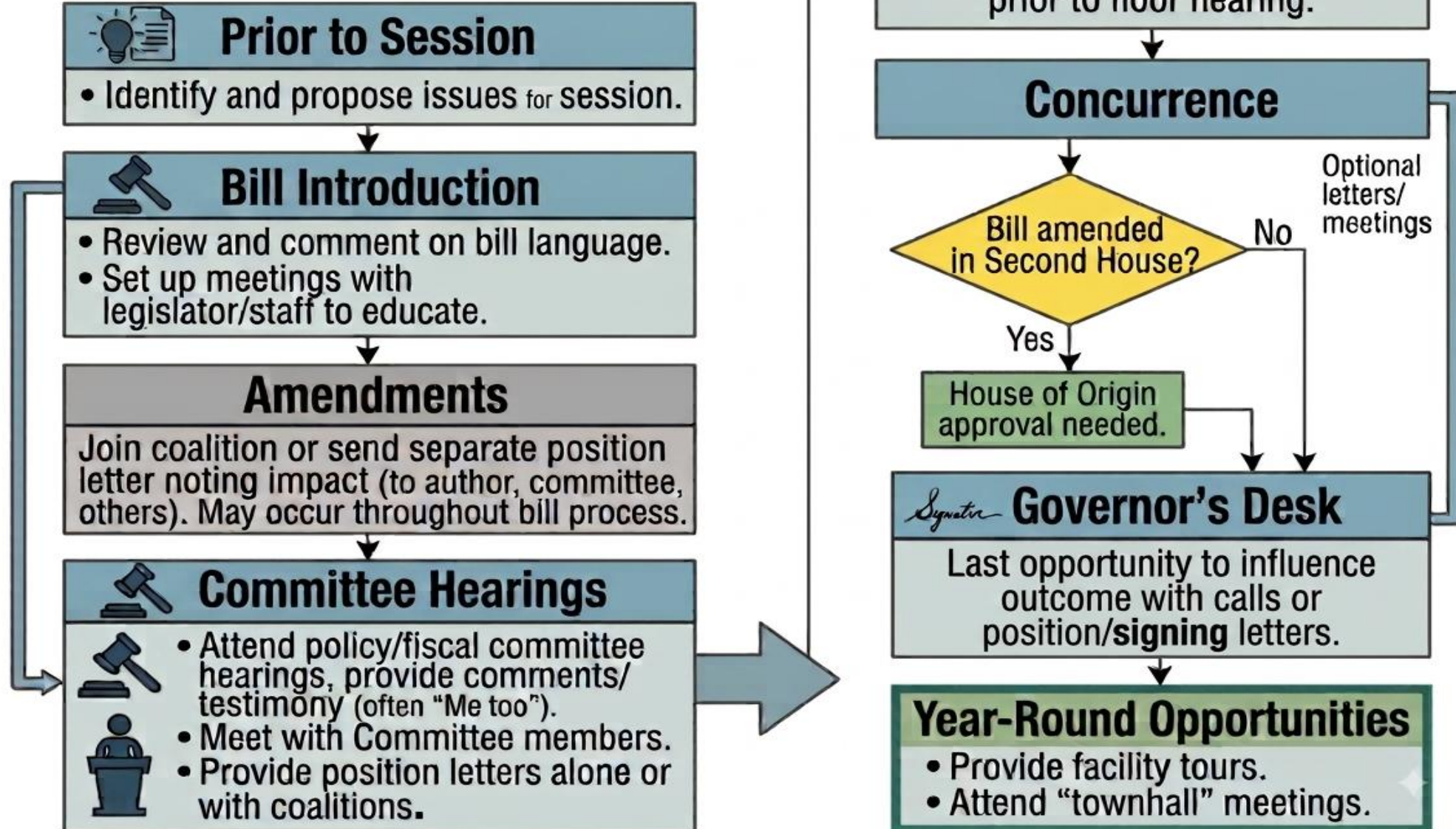
SECRETARY OF STATE

Two-thirds vote in both houses can
override a Governor's veto to move
to the Secretary of State



A LAW IS BORN

OPPORTUNITIES FOR ENGAGEMENT



California State Budget

- \$351.7 billion across all funds, with approximately \$251.5 billion allocated from the General Fund for fiscal year 2026–27.
- General Funds that support improvements to flows through the Sacramento/San Joaquin Delta:
 - **\$25 million** one-time General Fund appropriation for Healthy Rivers and Landscapes (to deliver environmental flows, habitat restoration, science, and monitoring).
 - **\$7.9 million** one-time General Fund appropriation for DWR's Delta Levees Program
- Reserves of about \$30 billion to protect against future economic volatility.



2026 Ballot Initiatives – 14 Total

- Two regarding bonds
 - (Proposition 1 - housing, 38 – immunology research)
- Five regarding taxation (Propositions 3, 40, 41, 42, 43)
- Two regarding rules for candidates/political figures (Propositions 4, 5)
- One each for:
 - Increasing limits on state's rainy-day fund (Proposition 2)
 - Homebuyer loan assistance (Proposition 37)
 - Identification for voting (Proposition 39)
 - Spending on patient care (Proposition 44)
 - Speed up environmental reviews for housing/infrastructure (Proposition 45)

2026 Ballot Initiatives – Nexus to Zone 7 (pg 1)

- **Prop 2 Save for California's Future Act**

- Aims to strengthen the state's fiscal stability by increasing the constitutional cap on the state's "rainy day" fund (the Budget Stabilization Account) from 10% to 20%. This measure was placed on the ballot by the Legislature.

- **Prop 4 Political Reform Act of 1974: public campaign financing: California Fair Elections Act of 2026**

- The initiative would repeal the ban on public funding of campaigns, thereby allowing the state or local governments to establish programs for the public funding of election campaigns. This measure was placed on the ballot by the Legislature.

2026 Ballot Initiatives – Nexus to Zone 7 (pg 2)

- **Prop 43 Local Taxes: Limitation**

- Require that local ballot measures proposing, extending, or increasing special taxes initiated by citizens receive a 2/3 vote to be enacted. Local special taxes proposed by initiative petitions need only a simple majority vote for approval. This measure was placed on the ballot by the Legislature.

- **Prop 45 Modifies Environmental Review for Certain Projects. Initiative Statute**

- Amends the California Environmental Quality Act (CEQA) and Permit Streamlining Act to establish strict deadlines for environmental reviews (e.g., 365 days for Environmental Impact Reports) and judicial proceedings (270 to 360 days) for essential infrastructure, such as housing, water systems, clean energy, medical facilities, broadband, education, transportation, and public safety infrastructure projects. This measure was placed on the ballot by voters.

Related Matters

- Federal
 - PFAS/CERCLA
 - Funding: Water Resources Development Act (WRDA), annual appropriations
- Regulatory
 - CARB Advanced Clean Fleets
 - Slide and Swing Gates
- Projects/Programs
 - State Water Project
 - Sites Reservoir
 - Delta Conveyance/Healthy Rivers and Landscapes
 - Chain of Lakes Conveyance System

A photograph of a water treatment plant featuring large blue pipes and machinery. One pipe is labeled 'RAW WATER' and another 'OZONATED WATER'. The scene is set outdoors under a blue sky with clouds. A semi-transparent blue banner is overlaid across the middle of the image.

Questions?