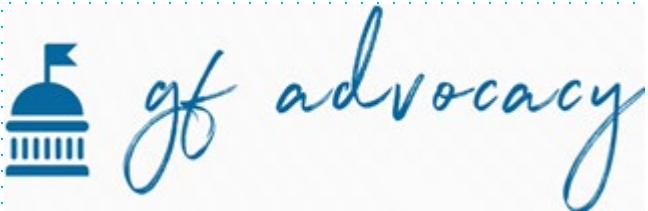


San Geronio Pass Water Agency Legislative Update



October 5, 2026

State Legislature

- Legislature has concluded the 2025-26 legislative session
 - **September 30:** Governor concluded action on legislation approved by Legislature
 - **November 3:** Statewide general election
 - **December 7:** Legislature's organizing session
 - **January 4:** Legislature begins work of 2027-28 legislative session



Current SGPWA Bill Positions

Bill/Author	Summary	Status	SGPWA Position
AB 35 (Alvarez)	Expedited Proposition 4 allocations	Chapter 89, Statutes of 2026	SUPPORT
AB 1663 (Wallis)	Western Joshua Tree Conservation Act: removal: trimming	Chapter 813, Statutes of 2026	SUPPORT
AB 1808 (Carrillo)	Western Joshua Tree Conservation Act: industrial and commercial projects	Chapter 816, Statutes of 2026	SUPPORT
AB 2215 (Calderon)	SWP water rights time extension	Failed Passage	SUPPORT
SB 872 (McNerney)	Funding for conveyance subsidence and Delta levee repairs	Vetoed	SUPPORT
SB 952 (Laird)	Flexibility for SWP integration of renewable energy resources	Chapter 175, Statutes of 2026	SUPPORT
SB 1061 (Ochoa Bogh)	Western Joshua Tree Conservation Act: relocation	Failed Passage	SUPPORT
SB 1062 (Ochoa Bogh)	Western Joshua Tree Conservation Act: fees	Chapter 673, Statutes of 2026	SUPPORT

SWC Sponsored Bill Update – SB 872 (McNerney)

- Legislative action:
 - Senate Environmental Quality: **5-0**
 - Senate Natural Resources/Water: **7-0**
 - Senate Appropriations: **7-0**
 - Senate Floor: **39-0**
 - Assembly Water, Parks, Wildlife: **11-0**
 - Assembly Appropriations: **11-0**
 - Assembly Floor: **77-0**
 - Senate Floor: **37-0**



VETO

Considerations leading to Governor's veto on 9/26:

- (1) Substantive issues – Delta levee provisions
- (2) Political issues – DCP (and HRL and Sites) opposition

State Budget Actions – Proposition 4

- **\$2.7B** total allocation from Proposition 4
 - **\$1B** allocation from Safe Drinking Water chapter
- Key Prop 4 allocations
 - **\$68M** to DWR for regional conveyance – **at least \$30M for SWP conveyance subsidence repairs**
 - **\$78M** to DWR for groundwater projects
 - **\$100M** to DWR for flood protection projects (incl. \$75M allocation for Delta levees pursuant to SB 872 implementation)
 - **\$133M** to DWR for flood risk reduction
 - **\$263M** to SWRCB for drinking water quality projects
 - **\$12.4M** to SWRCB for tribal water infrastructure projects
 - **\$100M** to SWRCB for water recycling
 - **\$48M** to SWRCB for multi-benefit urban stormwater management projects

Climate Bond Expenditure Plan
(\$ in Millions)

Investment Category	Bond Allocation	2025-26 Appropriations	2026-27 Proposed Appropriations
Safe Drinking Water, Drought, Flood & Water Resilience	\$3,800	\$1,199	\$792
Wildfire & Forest Resilience	\$1,500	\$417	\$314
Coastal Resilience	\$1,200	\$279	\$107
Extreme Heat Mitigation	\$450	\$110	\$241
Biodiversity & Nature-Based Solutions	\$1,200	\$390	\$199
Climate Smart Agriculture	\$300	\$154	\$89
Outdoor Access	\$700	\$466	\$35
Clean Air & Energy	\$850	\$275	\$326
Total	\$10,000	\$3,290	\$2,103

State Budget Actions – Greenhouse Gas Reduction Fund

- DOF estimates GGRF auction revenue proceeds = \$2.7B
 - Down from \$3.4B only three months ago, and substantially lower than anticipated at Cap/Invest restructuring by Legislature in 2025
- Legislature approved funding adjustments to GGRF programs through end-of-session budget package
 - Restructured funding source for CalFire backfill
 - Commensurate increase to allocations for other GGRF programs
 - SAFER Program funding increased from \$24M (under current GGRF auction revenue projections) to \$71M
 - Future funding levels remain uncertain

2026-27 Greenhouse Gas Reduction Fund Expenditure Plan

As of 2026 Budget Act, Assuming Department of Finance July 2026 Revenue Estimates (In Millions)

		Amounts
Estimated Funding From 2026-27 Auction Proceeds		\$2,731
SB 840 Framework Expenditures		
Tier 1 Appropriations	Manufacturing tax exemption	\$148
	State operations	110
	Placeholder for state operations budget change proposals ^a	5
	State Responsibility Area fee backfill	92
	Legislative Counsel Climate Bureau ^b	3
Subtotal, Tier 1		\$358
Tier 2 Appropriations	High-Speed Rail Authority	\$1,000
	CalFire General Fund backfill	750
	Placeholder for unallocated discretionary spending ^a	250
Subtotal, Tier 2		\$2,000
Tier 3 Appropriations	Affordable housing (Up to \$560M)	\$105
	Transit and Intercity Rail Capital Program (Up to \$400M)	75
	Community Air Protection Program (Up to \$250M) ^c	47
	Sustainable Communities and Agricultural Land Conservation (Up to \$240M)	45
	Low Carbon Transit Operations Program (Up to \$200M)	38
	Healthy and resilient forests (Up to \$200M)	38
	Safe & Affordable Drinking Water Program (Up to \$130M)	24
Subtotal, Tier 3		\$372
Total Estimated SB 840 Framework Expenditures		\$2,731
Additional Available Funding		\$621
	Beginning fund balance	\$121
	Estimated interest earnings	500
Additional Discretionary Spending Outside of SB 840		
	Additional CalFire General Fund backfill	\$500
	Zero-emission vehicle incentive funding	115
Total Additional Discretionary Spending Outside of SB 840		\$615

^a Not funded in the June budget agreement.

^b Expenditures for the Legislative Counsel Climate Bureau are contingent on it being created in statute.

^c Also received \$150 million one-time General Fund in June budget package.

SB 840 = Chapter 121 of 2025 (SB 840, Limón) and CalFire = California Department of Fire and Forestry Protection.

Time to Start Planning for 2027

- **Planning/discussion items:**

- Follow-up to AB 2215 (Calderon) – SWP water rights permit time extension
- SWRCB reform opportunities
- SWP aqueduct repairs – next steps to gain longer-term funding traction
- SGPWA-specific budget request(s)
- New legislator education
- Ongoing legislative “champion” cultivation
- New Administration transition
- Planning for SGPWA Sacramento visit – mid-late January 2027
 - Legislative briefings
 - Begin socializing SGPWA-specific budget requests for 2027
 - Relationship building
 - Celebrate SGPWA 65th Anniversary

QUESTIONS?