BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING

July 11, 2025

Correspondence and media coverage of interest between June 24, 2025 and July 10, 2025

Correspondence

From: Dennis Herrera, SFPUC General Manager
To: Tom Smegal, BAWSCA CEO/General Manager
Date: June 25, 2025
Subject: Response to BAWSCA's Request for Coordination with SFPUC regarding Wholesale and Retail Demand Projection Studies

Water Policy:

Date: July 10, 2025
Source: Maven's Notebook
Article: Water Supply Strategy update: Adapting to a changing climate

Date: July 1, 2025
Source: ACWA News
Article: Healthy Rivers and Landscapes Funding Restored

Date: June 30, 2025
Source: KQED
Article: California Lawmakers Approve Major Overhaul of Landmark Environmental Law

Date: June 30, 2025
Source: New York Times
Article: California Rolls Back Its Landmark Environmental Law

Water Infrastructure

Date: June 24, 2025
Source: San Francisco Chronicle
Article: California groundwater levels see another bump – but long-term trend still grim

Date: June 24, 2025
Source: The Hill
Article: Newsom warns that California's water system may be ill-prepared to cope with hotter, drier future

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San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

June 25, 2025

Tom Smegal, CEO and General Manager
Bay Area Water Supply and Conservation Agency
155 Bovet Road, Suite 650
San Mateo, CA 94402

Dear Mr. Smegal:

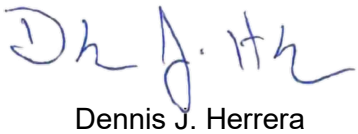
This letter is in response to your email sent on June 12, 2025 regarding a Request for Coordination with SFPUC re: Wholesale and Retail Demand Projection Studies. I have coordinated with staff and below are our responses to your inquiry:

1. Retail demands. I am confirming that the San Francisco retail water demand estimates will be completed by December 2025.
2. Scenarios on Worksheet & HHLSM. SFPUC staff will be performing updated HHLSM runs by December 2025 to support UWMP development and will share those results with BAWSCA and the Wholesale Customers. The SFPUC recommends that BAWSCA and the Wholesale Customers use these results in providing the available supply to the Wholesale Customers for the different UWMP scenarios. The SFPUC Water Supply and Demand Worksheet (Worksheet) is available for use. However, the output of the worksheet may provide a simplification of available supply during the design drought by presenting an average rationing number over the course of the drought rather than the shortages that can be expected by year as is required for the Urban Water Management Plans (UWMPs). In addition, the worksheet is useful for testing sensitivity of available supply under different scenarios, but it requires review by the SFPUC to determine if the results are accurately reflected by the users' changes. It is for these reasons that the SFPUC recommends BAWSCA and the Wholesale Customers use the HHLSM results provided by the SFPUC.
3. Modeling different supply regimes. HHLSM results showing the effects of the 2018 Bay Delta Plan update and the proposed Healthy Rivers and Landscapes program will be provided by the SFPUC.
4. Drought savings by year. HHLSM results will provide drought savings by year, as mentioned above the worksheet cannot provide this.

5. SFPUC results in UWMP & AWSP. The SFPUC intends to use the additional demand scenarios in the next Alternative Water Supply (AWS) Plan update and reference these scenarios in the 2025 UWMP. The next AWS Plan update is anticipated to begin in FY 2026-2027.The potential impact on water reliability will continue to be documented in the 2025 UWMP and next AWS Plan update. Future retail and wholesale water rates are set by a separate process through the Commission and are not included in the 2025 UWMP.

If you have any further questions, please reach out to Steven Ritchie, Assistant General Manager, Water at sritchie@sfwater.org.

Sincerely,



Dennis J. Herrera
General Manager

CC: Steven Ritchie, SFPUC, Assistant General Manager, Water
Alison Kastama, SFPUC, BAWSCA Liaison

WATER COMMISSION: Water Supply Strategy update: Adapting to a changing climate
Maven's Notebook | July 10, 2025

Climate change is rewriting the rules of our environment, and California is feeling the heat—literally. With temperatures climbing to record-breaking levels both statewide and globally, the impacts are impossible to ignore. At the tail end of the 2020-2022 drought, the Department of Water Resources projected that by 2040, California's water supply could shrink by 10% due to a thirstier atmosphere, parched landscapes, and a phenomenon known as the "evaporative gap," where rising temperatures accelerate water loss through evaporation, leaving less to sustain ecosystems, agriculture, and communities. In 2022, the Newsom Administration released the Water Supply Strategy, which focuses on ways to increase water supply and adapt to the more extreme weather patterns caused by climate change.

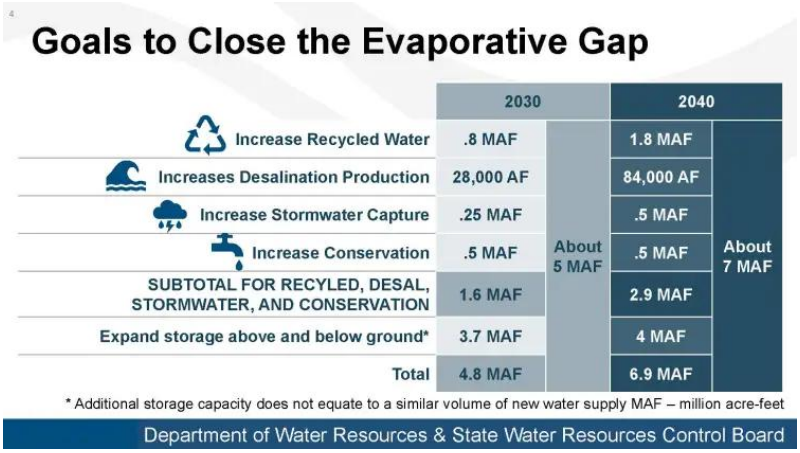
At the June California Water Commission meeting, Anthony Navasero, Drought Coordinator for the Department of Water Resources, and Annalisa Kihara, Assistant Deputy Director of Division of Water Quality at the State Water Board, shared updates on implementing the Water Supply Strategy, highlighting progress in brackish and seawater desalination, advancing groundwater recharge projects, and improving information systems like stream gauges and a new water rights system.

THE WATER SUPPLY STRATEGY

The Water Supply Strategy proposes a multi-prong approach to address the problem and is centered around four initiatives:

- Develop new water through recycling and desalination,
- Reduce the use of water in cities and on farms through more efficient water use and conservation,
- Improve all water management actions with better data, forecasting, conveyance, and administration of water rights, and
- Capture and save more stormwater above and below ground.

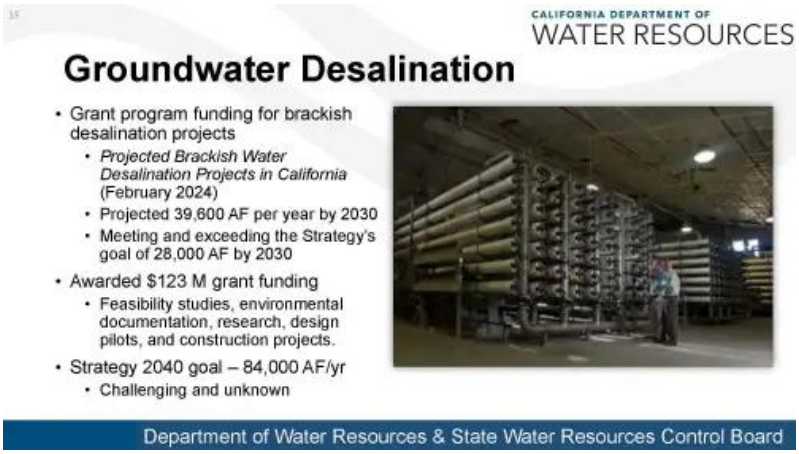
The Strategy establishes new statewide goals for 2030 and 2040 for municipal recycled water, desalination, stormwater capture, water conservation, and increasing water storage capacity to address the anticipated 10% gap in our water supply by 2040.



Implementation actions include conservation regulations, stormwater capture and use, recycled water projects, seawater and brackish desalination, groundwater recharge, and improving data collection & forecasting.

The Delta Conveyance Project is a key action item, said Mr. Navasero. Based on future projections for declines of water supply under climate change, the Delta Conveyance Project is an infrastructure solution to help ameliorate these water losses and protect future water supplies while addressing a system built for climate and weather patterns that no longer exist.

BRACKISH GROUNDWATER DESALINATION



The Water Supply Strategy tasked the State Water Board with estimating groundwater availability for brackish desalination. Released in December 2023, the report, Projected Brackish Water Desalination Projects in California, focused on groundwater with salinity levels lower than seawater but still requiring desalination to be suitable for human use.

“This report concluded, not too surprising, that the highest potential for brackish groundwater desalination exists in coastal groundwater basins with access to existing infrastructure for brine disposal for the high saline brine, and where extraction is consistent with a local groundwater sustainability plan,” said Ms. Kihara.

The Strategy also directed DWR and the State Water Board to identify brackish desalination projects that could be operational by 2030. The 2023 report, Water Available for Brackish Groundwater Desalination, identified nine planned brackish groundwater desalination facilities that could provide an estimated 20,000 acre feet of potable water by 2040. In addition, the report identified areas in California with the highest potential for future brackish groundwater desalination projects.

To support this action, the Department has awarded $123 million in grant funding for various desalination projects. Those projects are at various stages, ranging from research and planning to design and construction. Many local, regional partners will continue to propose and construct new desalination projects.

After surveying and interviewing project proponents throughout the state, the report concluded that brackish desalination is projected to yield approximately 39,600 acre-feet per year by 2030, exceeding the goal of 28,000 acre-feet per year set in the Water Supply Strategy for 2030.

“Unfortunately, we cannot project that we will meet the strategy’s 2040 goal of 84,000 acre feet per year,” said Mr. Navasero. “Hopefully, the success of identified brackish desalination projects when built will spur other projects beyond 2030 to meet that goal in 2040.”

SEAWATER DESALINATION

The State Water Board, Coastal Commission, DWR, and other State entities were tasked with developing criteria for the siting of desalination facilities along the coast and recommending new standards to facilitate approval. The State Water Board is to consider amendments to the Desalination Policy in its Ocean Plan to streamline permits that meet the recommended siting and design standards for projects located in the identified priority areas.

The State Water Board released its report, Seawater Desalination Siting and Streamlining Report to Expedite Permitting, in December 2023. The overall goal of the report is to provide additional clarity on the local, state, and federal requirements for seawater desalination projects, as well as how California agencies involved in permitting implement these requirements. The water boards worked with the Coastal Commission, State Lands Commission, Department of Fish and Wildlife, National Marine Fisheries Service, Ocean Protection Council, Coastal Conservancy, as well as the Department of Water Resources.

Besides the Water Supply Strategy, the Board’s triannual review of the Ocean Plan in 2019 also recommended updates to the seawater desalination provisions.

The State Water Board last amended the seawater desalination provisions in the Ocean Plan in May of 2015. The provisions called for the regional water board to conduct an analysis to determine the best available site design technology and mitigation measures for the facility to minimize intake and mortality of all forms of marine life. These impacts can result from the size and location of a facility, the actual technology used for seawater intake, or the technology employed to discharge the high-saline brine back into the ocean.

Water Board staff conducted interested party workshops last fall in 2024 to gather additional recommendations for potential desalination amendments. Some of the input received included applying an integrated water resource management approach, recognizing that many communities consider desalinated water alongside increased conservation and wastewater recycling. This approach ensures that all voices and perspectives are heard throughout the

planning and permitting process, allowing desalination pilot projects to be implemented in a safe and streamlined manner.

“In the last 10 years, we have identified areas where we can provide some additional clarity and information to project proponents as well as our permitting teams,” said Ms. Kihara. “We do plan to do some additional interested party outreach this year before officially kicking off an amendment process.”

NEW WATER RIGHTS SYSTEM

The State Water Board is actively modernizing its water rights system, as called for in the Strategy. The new system, called the California Water Accounting, Tracking, and Reporting System (CalWATRS), is intended to make reporting water rights easier and more efficient, and help the state manage water data more effectively. The system will also make it easier for the public to access information on water rights. The system will go live later this summer, with water right holders to begin submitting water usage reports in October of this year.

PERMITTING GROUNDWATER RECHARGE

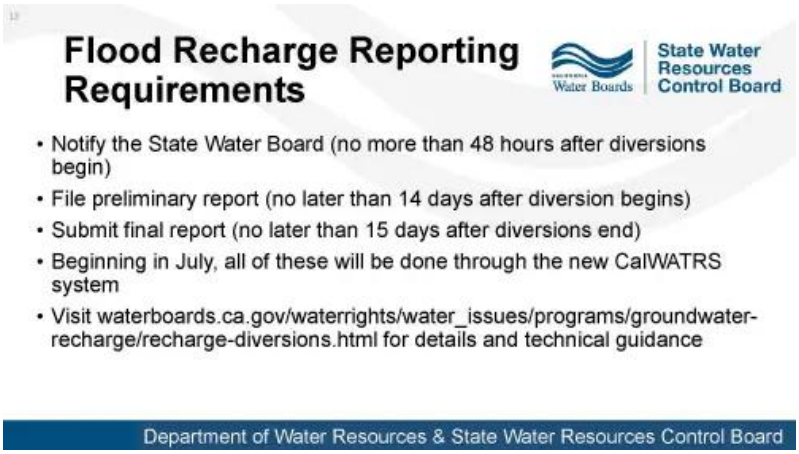
To boost the amount of water being recharged to groundwater aquifers, the Water Board has three types of permits for groundwater recharge:

- The standard permitting process, which establishes the permanent water right with a priority date through a somewhat lengthy process;
- A 180-day temporary permit, which is intended for short-term use, such as a pilot project, but does not establish a permanent water right; and
- A five-year temporary permit which is intended to allow for diversions while a standard application is being processed. It avoids the need for repeated 180-day permits, but does not establish a permanent right itself.

Much of the permitting for groundwater recharge has been achieved through the authorization of temporary permits, which have enabled the recharge of over 800,000 acre-feet of water since 2022.

Because California’s climate swings between times of drought to times of high precipitation and flooding, Governor Newsom issued two executive orders, N-4-23 and N-4-27, that authorized water users to divert surface water for groundwater recharge during significant storm events

without a water right, and to simultaneously manage flood waters and replenish groundwater supplies.



The executive orders did require reporting and other conditions to prevent impacts to sensitive infrastructure ecosystems, as well as to other water right holders. The Executive Orders are codified in California Water Code 124.2.1 and only allow for diversions if a local agency determines that there is an imminent risk of flooding and that the agency has adopted a flood control plan or has considered flood risk as part of its general plan.

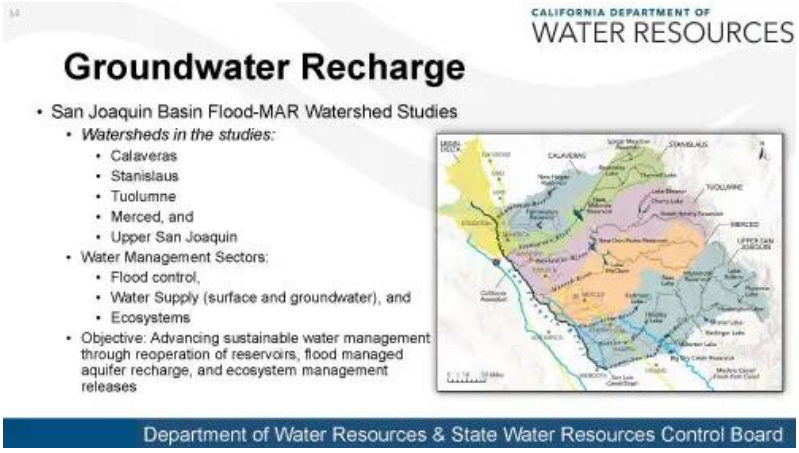
However, Ms. Kihara noted that many communities were unable to take advantage of the executive orders because they were unable to establish a local flood plan in time. This led to Executive Order N-16-25, which waived the flood planning requirements for counties that were part of the drought proclamation. There are 39 counties, including those in the Sacramento and San Joaquin basins, the Tulare Lake Basin, the Scott, Shasta, and Klamath river watersheds, and the Clear Lake Watershed.

The current floodwater recharge reporting requirements include notification to the State Water Board and submission of a preliminary report, followed by a final report.

Note: The State Water Board held a workshop in June of 2025 for parties interested in acquiring a permit for groundwater recharge. A recording of that workshop is available here.

EXPANDING GROUNDWATER RECHARGE

Another action called for in the Water Supply Strategy is to expand watershed modeling tools to better assess water available for recharge. The Department has been working with local and regional partners on watershed studies in the San Joaquin basin. Known as the San Joaquin Basin Flood MAR watershed studies, this series of studies examines the Calaveras, Stanislaus, Tuolumne, Merced, and upper San Joaquin watersheds to assess water management sectors within those areas.



The study uses an integrated analytic toolset to assess climate change vulnerability and adaptation performance for flood control, water supply, and ecosystems. By leveraging information from the Department's airborne electromagnetic surveys, climate change analytics, and land-use data, the studies provide a multi-sector understanding of vulnerability to climate change within each basin.

Mr. Navasero said thus far, the studies have shown strong indications that integrated managed aquifer recharge from high flood flows, implementing Forecast Informed Reservoir Operations to maximize storage, and providing ecosystem management releases would maximize benefits for all three water management sectors. The completed studies and their conclusions are expected to be available to the public later this fall.

STREAM GAUGING

With climate change driving the need to improve our forecasts and capabilities, there is also a need for more data, and thus more stream gauges. The Strategy calls for advancing a multi-agency effort to install 430 new stream gauges and upgrade or reactivate 200 more across the state. These gauges provide real-time surface water data for enhanced drought management and flood response.

In 2019, Senate Bill 19 charged the Department and the Water Board to develop a plan to address stream gauge information gaps and to prioritize actions to improve the stream gauge network and data collection. In 2022, the California stream gauging prioritization plan was developed, and subsequent funding of $20 million was allocated to support its implementation.

The program has funded gauging and data needs for both internal stream gauging and external partner requirements with public agencies, which will also benefit the statewide gaging network and data collection efforts. The program aims to fund 139 new or reactivated gauging sites and 198 upgraded sites, while also allocating funding to 38 external partners for 100% of the project cost. The gauging stations are located throughout the state, both north and south, as well as in the middle. The program is in the final stages of awarding and finalizing contracts and MOUs, of which the funding will sunset in June 2027

Mr. Navasero noted that there is no long-term funding for operations and maintenance (O&M) or management costs. However, the new and upgraded stream gauges will support the improvement of modeling and forecasting, helping to manage our resources in the face of climate change.

INNOVATIONS AND INVESTMENTS

The Department of Water Resources has several initiatives aimed at helping achieve the goals of the Water Supply Strategy.

The LandFlex program is an initiative designed to provide an immediate response to drought conditions, while also assisting in the transition of land use in overdrafted basins to support the implementation of the Sustainable Groundwater Management Act requirements.

“By limiting the use of groundwater in areas near vulnerable communities and reducing agricultural water use to only their sustainable yield allocations, the program was able to enroll 4474 acres of land, mostly in the San Joaquin Valley,” said Mr. Navasero. “It permanently retired groundwater overdraft of 66,993 acre feet, provided a water recharge of 22,471 acre feet, while saving evaporation of 14,178 feet, for a total of 103,642 acre feet of saved water.”

Unfortunately, the program funding has run out and is currently closed; however, some similar innovative programs may be funded through Prop 4.

Another innovative action to support new water sources is the state’s investment in the National Alliance for Water Innovation, or NAWI. Run by the Lawrence Berkeley National Laboratory and funded by the US Department of Energy, with $16 million of state investment leveraged into $100 million in federal funding, the partnership supports the research and development of new

technologies that reduce the financial and environmental costs of desalination by improving efficiency, reducing energy consumption and improving brine management options.

An additional benefit is that pilot projects generate a range of data sets that are usable by other researchers to advance further research and development, said Mr. Navasero. In some cases, pilot projects will partner directly with historically disadvantaged communities and groups who have been historically underserved.

IN CONCLUSION

"We have highlighted a handful of actions that are helping the state meet near and short-term goals, which are projected to meet many of the strategies' goals by 2030, but note, at this time we cannot project the same success of meeting the 2040 goals," said Mr. Navasero. "It will take a combination the success of meeting the 2030 goals, local and regional partner implementing more projects and programs, state and federal support in the form of funding, technical assistance and regulatory support, and ultimately the focus of the people of the state to prioritize the completion of the strategy's actions."

Commissioner Curtin said he finds the 10% water reduction due to evaporation changes to be relatively modest. "I think it's going to be a lot worse than that. The premise here is that the greatest reservoir we have is the snowpack, and that is changing dramatically … How do we do what we know how to do as cost-effectively as possible? I think we're going to have to start reconsidering what cost-effective means. We've lived in a water bubble for a long time. People actually think water is cheap, and it's not. And $2,500 an acre-foot is probably not even the value of water, and it certainly won't be in the next few years. So, how are we adapting to climate change for losing the reservoir that we've relied on in modern times? That means to me much, much more infrastructure."

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Healthy Rivers and Landscapes Funding Restored
ACWA News | July 1, 2025 | ACWA Staff

SACRAMENTO — Gov. Gavin Newsom on June 27 signed a budget bill that restores more than $351 million in funding for the Healthy Rivers and Landscapes (HRL) Program.

The bill replaces an earlier budget proposal from the Legislature that would have eliminated the funding that was appropriated in the 2022-'23 and 2023-'24 budgets for the HRL program. The restoration of this funding represents progress toward restoring the health of the Sacramento-San Joaquin Bay-Delta (Bay-Delta).

ACWA is a long-standing supporter of the HRL Program, previously referred to as Voluntary Agreements, as the best approach to protecting, restoring and enhancing the Bay-Delta. ACWA staff, in coordination with other associations and individual ACWA members, urged legislators to preserve the funding. ACWA also issued an Outreach Alert encouraging members to contact their legislators, which had a significant impact toward restoring this funding.

The HRL Program is supported by federal, state, and local water leaders to create a comprehensive program of habitat enhancement projects coupled with more water for fish and wildlife, managed in a collaborative, science-based manner.

Learn more about the HRL program's approach to protecting, restoring, and enhancing California's Bay-Delta on ACWA's website or the California Natural Resources Agency's website.

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California Lawmakers Approve Major Overhaul of Landmark Environmental Law
KQED | June 30, 2025 | Adhiti Bandlamudi

Gov. Gavin Newsom presents his revised state budget during a news conference in Sacramento, California, on Wednesday, May 14, 2025. Gov. Newsom threatened to repeal the state's budget if lawmakers did not include two bills that aim to streamline environmental reviews for housing. (Rich Pedroncelli/AP Photo)

After weeks of tense negotiations with California lawmakers, Gov. Gavin Newsom on Monday signed legislation that promises to make big changes to the state's landmark environmental law, calling it the "most consequential housing reform we've seen in modern history."

The two bills — AB 609 from Asm. Buffy Wicks, D-Oakland, and SB 607, by Sen. Scott Wiener, D-San Francisco — were folded into addendums to the state budget, which was approved Friday. They both take aim at the 1970 California Environmental Quality Act, known as CEQA (pronounced "see-kwah" in state legislative parlance), which has been the ire of housing advocates and oversight agencies for years. Critics claim its ever-broadening scope and lengthy review process have slowed development and made it too expensive to build.

"This budget that is connected to [those reforms] is a budget that builds," Newsom said Monday. "It's not just a housing package, it's also about infrastructure, it's also about high speed rail."

For years, however, reforming CEQA has been a divisive issue among state Democrats, due to its ardent support among labor, environmental groups and others, who have heralded it as one

of the most important tools to fight pollution and sprawl. And they often point to studies calling into question whether it truly stops development from moving forward.

Matt Baker, state policy director for the Planning and Conservation League, an environmental advocacy group, said he was particularly concerned with the provisions in SB 607, which he called “the worst rollback of environmental and public health protections” the state has seen in decades.

“Side-stepping the legislative process in a fast-track budget deal that has had zero transparency for such significant changes to the one law that gives our communities voice in the planning decisions that affect them is just simply a disgrace to our democracy,” he said. “This is the way you do bad things.”

But as the state seeks to make housing more affordable and meet its energy goals, Wiener said it needs to be easier for projects to get approved and built.

“The high costs devastating our communities stem directly from our extreme shortage of housing, childcare, affordable healthcare, and so many of the other things families need to thrive,” he said in a statement shortly after the Legislature’s vote. “These bills get red tape and major process hurdles out of the way, allowing us to finally start addressing these shortages and securing an affordable California and a brighter future.”

For years, legislators have taken a “Swiss cheese” approach to CEQA reform, bypassing the more onerous requirements by exempting certain kinds of development, or even specific projects. But the two bills included in this year’s budget aim to make bolder moves: AB 609 exempts all urban housing development from individually going through the review process, while SB 607 exempts another nine categories of projects from review under the law, if they meet certain criteria, and narrows its scope for a variety of projects by avoiding what Wiener described as “repetitive” studies.

Newsom publicly supported these bills when he included them in his revised budget in May, but his strongest endorsement came last week, when he required the bills to be included in two “trailer bills” — AB 130 and SB 131 — and approved, or the budget would be repealed entirely.

“It was too urgent, too important to allow the process to unfold as it has for the last generation, invariably falling prey to all kinds of pratfall and I was too concerned that that would indeed occur again if we allowed this process to unfold in the traditional way,” Newsom said, addressing criticism that the bills were fast-tracked. “If we can’t address this issue, we’re going to lose trust, and that’s just the truth.”

Chris Elmendorf, a land-use and housing law expert at the UC Davis School of Law, called the maneuver “pretty bold.” The governor typically remains on the sidelines during legislative battles, he said, especially those involving controversial housing bills.

“He doesn’t really get involved in arm-twisting in the legislature, [but he] did the most intensive form of arm-twisting which is available to him,” Elmendorf said. “Because we need a budget. And in fact, if the budget isn’t passed on time, legislators don’t get paid.”

That arm-twisting is partly what concerns environmental groups that wanted more public discussion about what these bills would do before they got signed into law. Asha Sharma, state policy manager for the Leadership Counsel for Justice and Accountability, said she wanted to see Newsom taking a stronger stance to uphold environmental protections in California, especially amidst federal rollbacks.

“CEQA is really the only way that we have any type of voice or say in what these projects look like,” she said. “It is really concerning that that is where [Newsom’s] priorities are, especially in such a precarious moment at a federal level.”

But housing advocates argue that protecting the environment is at the heart of the two bills featured in the budget.

Language from Wick’s bill is included in trailer bill AB 130, which exempts infill housing — homes built within an existing city — from lengthy CEQA reviews. If it’s easier for developers to build homes in denser areas, Wicks argues it could help reduce greenhouse gas emissions caused by longer commutes to far-off suburbs. Apartments also tend to use less energy than detached homes, according to the US Energy Information Administration.

“All these places that are already urban, already developed, already have infrastructure … that type of housing development is by far the most environmentally beneficial,” said Matthew Lewis, spokesperson for the housing lobbying group, CA YIMBY. “What these bills do is they basically codify that by saying, we recognize that these types of homes are good for the environment and therefore do not have to go through these extensive environmental processes.”

Trailer bill SB 131, which includes Wiener’s bill, makes more technical changes to CEQA reviews, but ultimately tries to avoid redundancies in the process. Among other provisions, the bill includes a number of CEQA exemptions for certain categories of development, including high-speed rail, trails and wildfire mitigation projects.

It also exempts advanced manufacturing facilities in industrial areas, a feature Wiener hopes will spur the production of electronics and semiconductors in the state.

“We’re seeing a new kind of manufacturing that we’re trying to reshore into the US, whether it’s semiconductors, electronics, other kinds of advanced technology that we want to be produced here,” Wiener told KQED. “And the last thing we want is for California to get skipped over.”

But environmental groups say this exemption is precisely what concerns them about the bill. Semiconductor factories often require significant amounts of water to fabricate microchips and can release hazardous chemicals into the air and water supplies.

Silicon Valley garnered international esteem for its semiconductor and microprocessor facilities, but now has 23 toxic Superfund sites, a designation the Environmental Protection Agency gives to the worst hazardous waste sites in the United States.

“There are examples across the state of how the communities surrounding these facilities have just really experienced a lot of health harm,” Raquel Mason, senior legislative manager with the California Environmental Justice Alliance, said at a press conference opposing the bill. “This is why CEQA [was created], so that we can have this review and make sure that there’s safety and health considerations for projects exactly like that.”

When it comes to housing, however, some advocates argue those reviews can result in more process than progress. They have criticized recent legislation as being ineffective because they made too many concessions to environmental groups and often fell into an everything bagel black hole of qualifications — an idea central to the burgeoning Abundance movement. That Newsom fought to get Wicks’ and Wiener’s bills passed so quickly is telling, Lewis said.

CEQA has been the third rail of California politics for decades, but Lewis argued the state no longer has the luxury to delay the housing it needs.

“It is just fundamentally irresponsible to be blocking homes in California cities in 2025 when we’re seeing the incredible heat waves across the country. We’re seeing wildfires, we’re seeing flooding, we’re seeing storms destroy entire communities, all because of the pollution caused from sprawl and traffic and other pollution,” he said. “It’s time to get over that.”

# # #

California Rolls Back Its Landmark Environmental Law

Gov. Gavin Newsom and state lawmakers scaled back a law that was vilified for its role in California's housing shortage and homelessness crisis.

New York Times | June 30, 2025 | Laurel Rosenhall, Soumya Karlamangla, Adam Nagourney

Gov. Gavin Newsom of California on Monday signed two bills to scale back environmental restrictions as the state faces a severe housing shortage. Credit...John G Mabanglo/EPA, via Shutterstock

California leaders on Monday rolled back a landmark law that was a national symbol of environmental protection before it came to be vilified as a primary reason for the state's severe housing shortage and homelessness crisis.

For more than half a century, the law, the California Environmental Quality Act, has allowed environmentalists to slow suburban growth as well as given neighbors and disaffected parties a powerful tool to stop projects they found objectionable.

Gov. Gavin Newsom signed two bills, which were written by Democrats but had rare bipartisan support in California's divided State Capitol, that will allow many development projects to avoid rigorous environmental review and, potentially, the delaying and cost-inflating lawsuits that have discouraged construction in the state.

Democrats have long been reluctant to weaken the law, known as CEQA, which they considered an environmental bedrock in a state that has prided itself on reducing pollution and protecting waterways. And environmentalists took them to task for the vote.

But the majority party also recognized that California's bureaucratic hurdles had made it almost impossible to build enough housing for nearly 40 million residents, resulting in soaring costs and persistent homelessness. In a collision between environmental values and everyday concerns, Democrats chose the latter on Monday.

"If we can't address this issue, we're going to lose trust, and that's just the truth," Mr. Newsom, a Democrat, said in a news conference. "And so this is so much bigger in many ways than the issue itself. It is about the reputation of not just Sacramento and the legislative leadership and executive leadership, but the reputation of the state of California."

Discussions about changing the environmental law have repeatedly surfaced at the State Capitol over the past decade, only to be thwarted by opposition from environmentalists and local governments. This year was different.

Mr. Newsom threatened to reject the state budget unless lawmakers rolled back CEQA, which is pronounced SEE-kwa. Democrats were also aware that voters nationwide had blamed the party last year for rising prices.

"This has created a different political environment," said Mark Baldassare, survey director for the Public Policy Institute of California. "Voters have been telling us in our polling for quite a while that the cost of housing is a big problem, but maybe for the elected officials the election itself was a wake-up call."

Mr. Newsom is nearing the end of his second and final term in office having made little progress on housing and homelessness, which were central to his first campaign in 2018. He has been skewered for the prevalence of homeless encampments throughout California and for a dip in population, driven in part by people seeking lower-priced homes in other states.

The governor, who may run for president in 2028, recognized that Democrats had to shift course on pocketbook issues.

"We've got to get out of our own damn way," he said last week.

The changes are, by any measure, a pivotal moment for the environmental movement, and they may have implications beyond the borders of the nation's most populous state. California has long been at the vanguard of pioneering environmental measures, and other Democratic-run states could similarly look for ways to encourage more housing construction.

Environmentalists flooded a legislative hearing room on Monday, saying the sweeping changes could hurt sensitive ecosystems and make it too easy to build manufacturing sites that could

cause more pollution. Some Democratic lawmakers expressed concern that the legislation could threaten habitat for certain species of butterflies, bears and bighorn sheep.

“Jeopardizing those whole ecosystems, I think, is a risk that we don’t want to take,” said State Senator Catherine Blakespear, a Democrat.

With its requirements for extensive review and public disclosure of potential environmental ramifications, CEQA was viewed as the strictest measure of its kind in the nation.

As governor, Ronald Reagan, a Republican, signed the environmental act into law in 1970 at a time when his party was much more aligned with environmental protections than it is today. It reflected a consensus among the state’s leaders over the need to protect a vast array of wildlife and natural resources — forests, mountains and coastline — from being spoiled by rising smog, polluted waterways, congestion and suburban sprawl.

But CEQA has been described even by some environmentalists as a good law that produced unintended consequences. The law was initially written to apply principally to government projects; a 1972 court decision expanded it to apply to many private projects as well.

One of the bills signed on Monday will exempt from CEQA high-density projects as long as they are not on environmentally sensitive or hazardous sites. The other bill will create sweeping changes that are aimed at accelerating legal review and that will exempt numerous types of development projects, from farmworker housing to child care centers. The legislation will also make it easier to rezone areas to allow for more housing in some cities.

The changes could, for instance, make it easier to convert a vacant shopping center into condos and apartments by reducing government hurdles.

Republicans have long blamed CEQA for California’s problems, arguing that it was bad for the state’s business climate. It was notable that Democrats, led by Mr. Newsom, moved the party away from the kind of measure that has long been central to Democratic thought.

“It is so critically important for California to show that we can get things done to make people’s lives better and more affordable,” said State Senator Scott Wiener, a Democrat who wrote the bill to exempt several types of projects from environmental review.

California legislators have become increasingly motivated to combat the state’s housing shortage as homelessness and the cost of living have become serious concerns for residents. In recent years, the Legislature has passed hundreds of bills to expedite housing production, and has tried to push cities to build more homes, usually tinkering around the edges of the environmental act.

“The crisis has metastasized to such a level that our constituents are demanding it,” said Assemblywoman Buffy Wicks, a Bay Area Democrat who wrote the bill to encourage more high-density housing projects.

Christopher S. Elmendorf, a property law professor at the University of California, Davis, who has closely followed the CEQA battles in the State Capitol, said the reforms were “huge,” the biggest since the mid-1970s.

Mr. Elmendorf said he viewed Mr. Newsom’s shift partly as a testament to how much housing has risen as a priority for California voters. But it also reflects a broader reckoning for Democrats nationwide after Donald Trump’s re-election in 2024. Democrats are re-evaluating whether they are aligned with the needs of the electorate, he said, which has opened the door for considering positions that were once off-limits.

Opponents of construction projects — neighborhood groups, rival businesses, unions — frequently seized on CEQA provisions to delay or, in some cases, kill all kinds of projects, including housing, office buildings and homeless shelters.

Recent cases have come to symbolize what critics of the environmental law saw as its unintended consequences. In San Francisco, it was used to delay, but ultimately not derail, a bike path. In Berkeley, a neighborhood group used it to block the University of California from expanding the size of its student population, contending it would lead to noise, trash and traffic; the Legislature stepped in and passed a bill overriding a court decision. Another group in Berkeley won a court order blocking construction of a new dorm because students would create “social noise” pollution; the Legislature again passed an overriding law.

As in Berkeley, previous efforts to change CEQA had largely been piecemeal, responding to the crisis of the moment and often with the backing of powerful labor unions. When the Sacramento Kings threatened to move out of the state, the Legislature granted an exemption that allowed for faster environmental review of the construction of a new arena. Similar exemptions were given for stadiums in San Francisco and Los Angeles, as well as for a major renovation of the State Capitol.

Matt Lewis, spokesman for California YIMBY, which supports the new legislation, said a law that had initially been intended to prevent projects like new freeways from plowing through neighborhoods had over the years been “Frankensteined” into a tool to block housing development. And the act, ultimately, has harmed the environment by limiting denser housing, which reduces pollution, he said.

But Kim Delfino, a lobbyist for several environmental groups, said the law would allow the destruction of coastal habitats, forests, deserts and grasslands, and called it the “worst bill” for declining species that she had seen in 25 years of advocacy.

“It blows a hole in our efforts to protect habitat,” she told lawmakers on Monday. “Make no mistake, this will be devastating.”

Still, Robert Rivas, the speaker of the State Assembly, framed the vote as a social issue for Democrats during a news conference after the vote.

“Affordable housing is the civil rights struggle of our time here in California,” he said, “and today we take a transformative step forward in that fight.”

Ben Metcalf, managing director of the Terner Center for Housing Innovation at the University of California, Berkeley, said the changes will speed up the building process because projects in the urban core will be able to skip environmental review, which can take several months. He said it remained unclear how much that will increase total housing production, especially given the inflated costs of construction, insurance and interest rates.

“It’s probably not the full solution,” he said of the changes.

In 2016, Gov. Jerry Brown also proposed exempting urban housing from CEQA. But that attempt failed under opposition from unions, environmental groups and other organizations. Mr. Metcalf, who at the time was leading California’s housing department under Mr. Brown, said that the political winds had shifted in the past nine years.

He said that California’s moves could inspire other Democratic-led states to weaken their environmental regulations to address their housing shortages. Massachusetts, New York, Minnesota and several other left-leaning states have laws much like CEQA.

“I could certainly see it emboldening other governors: ‘If they can do it in California, we can do it, too,’” he said.

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California groundwater levels see another bump — but long-term trend still grim
San Francisco Chronicle | June 24, 2025 | Kurtis Alexander,

A groundwater recharge basin was built in Huron (Fresno County) to increase underground water storage. Last year, managed recharge of aquifers helped boost California's groundwater supplies. Santiago Mejia/The Chronicle

California saw a notable bump in groundwater supplies last year, marking a second straight year that the crucial underground reserve wasn't drawn down by thirsty cities and farms, new state data shows.

Moderately wet weather, in combination with efforts to proactively recharge aquifers and limit pumping, is largely responsible for a gain of 2.2 million acre-feet of water across the dozens of groundwater basins tracked by the state. The increase is equal to about half of what can be held in California's largest reservoir, Shasta Lake.

While the increase is modest, it comes amid a decadeslong slide in groundwater reserves. The result across much of California has been dried-up wells and sinking land, which happens when too much water is removed from the rocks and soil beneath the surface. The biggest issues have been in the state's agricultural heartland, the San Joaquin Valley.

The state introduced groundwater regulation 10 years ago, which gradually seeks to rein in pumping through 2042. However, extraction has remained a problem, in part because of the

warming climate. Groundwater has historically accounted for about 40% of the water that California consumes, but during the many hot, dry periods that have occurred in recent years, groundwater has made up more than 60% of the state's supply.

The groundwater report released Tuesday by the state's Department of Water Resources calls last year's boost in supplies a "positive outcome." However, it warns that "long-term trends continue to show widespread declines, particularly in the Tulare Lake and San Joaquin River hydrological regions."

The groundwater data, which is reported by water agencies and aggregated by the state, covered last year's "water year," which runs from Oct. 1 to Sept. 30, to capture the entirety of California's wintertime precipitation. Unlike water that collects in reservoirs, groundwater isn't measured in real time because it can take months, or even years, for rain and snow to soak into the ground.

Between 2023 and 2024, the state data shows that the 98 monitored groundwater basins and sub-basins saw a total of 11.5 million acre-feet of water pumped out. However, replenishment of that supply, mostly due to natural percolation, offset the pumping. An acre-foot of water is about what two to three households use annually.

According to the state report, California water agencies collectively put 1.9 million acre-feet of water back into the ground deliberately, a process known as managed aquifer recharge. Most managed recharge is done simply by allowing water to pool on the surface and slowly seep into rocks and soil below. Some recharge is done with injection wells.

A year earlier, one of the wettest years in modern times, managed recharge measured 4.1 million acre-feet of water, coming amid a push by state officials to steer as much plentiful stormwater underground as possible. It may have been the most managed recharge ever, though groundwater data beyond a few years ago is lacking.

The 2022-23 water year also saw what may have been the biggest-ever annual increase in total groundwater supplies, about 8.7 million acre-feet of additional water, according to state data.

The three previous years recorded net losses of groundwater.

The basins that are monitored by the state don't represent all of California's groundwater supplies, but they account for more than 90% of groundwater use, meaning they provide an almost full picture of the pumping that's taking place.

State officials say they've been working to better track and increase California's groundwater reserves. But their biggest message as of late has been the need to modernize water infrastructure, namely building a controversial 45-mile tunnel to move water beneath the Sacramento-San Joaquin River Delta.

“California is taking an all-in approach to its water supply — including creating more groundwater storage and data to help us plan for the future,” Gov. Gavin Newsom said in a statement Tuesday. “The data doesn’t lie, and it is telling us that our water system is unprepared for California’s hotter and drier climate.”

The director of the Department of Water Resources, Karla Nemeth, recently told the Chronicle that she hopes provisions to streamline environmental review of the tunnel project will be included in the pending state budget. The Legislature did not include such provisions in draft budget bills, but negotiations are ongoing.

State officials say the $20 billion delta tunnel, formally known as the Delta Conveyance Project, is needed to ensure that water reliably moves from Northern California to Southern California, and to maximize supplies. Opponents say it will wreak havoc on the delta and result in less water for fish and other wildlife.

“This just takes a lot of time, and that time equals delay in a moment where I personally don’t think we can afford lengthy delay,” Nemeth said. “It’s about getting to actual decisions sooner. We’ve been at the Delta Conveyance Project one way or another for 20 years now.”

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Newsom warns that California's water system may be ill-prepared to cope with hotter, drier future

The Hill | June 24, 2025 | Sharon Udasin

California's existing groundwater infrastructure may fail to quench the state's thirst in an increasingly arid future, even as officials celebrate widespread conservation achievements, Gov. Gavin Newsom (D) warned on Tuesday.

"The data doesn't lie, and it is telling us that our water system is unprepared for California's hotter and drier climate," Newsom said in a statement.

The governor was referring to data published in a semiannual report by the California Department of Water Resources that morning. The report, which indicated California is collecting more groundwater data than ever before, showed a 2.2 million acre-foot increase in storage last year.

Nonetheless, the governor's office stressed that the Golden State still lacks adequate water infrastructure to provide Californians with the resources they will need in future projected climate conditions.

The 2.2 million acre-foot surge in storage reflects the implementation of proactive conservation measures, such as capturing and recharging flows during winter storms, expanding recharge basins, improving monitoring and reducing groundwater pumping across agencies. For reference, the average U.S. household consumes about half an acre-foot of water annually.

The 2024 "water year" — Oct. 1, 2023, through Sept. 30, 2024 — featured average rainfall in comparison to that of the past 50 years, according to the report. These circumstances helped sustain recharging efforts that occurred after an "exceptionally wet" 2023, the authors explained.

However, the first five months of the 2025 water year have been "notably dry across much of the state," the report acknowledged. That extreme aridity has applied in particular to the Central Valley, where much of the state's agriculture occurs, as well as in southern areas — where some spots have endured their driest 10th percentile on record, the data showed.

Although groundwater levels in most of California's wells have stabilized over the past year, 49 percent of them have undergone a decline over the past two decades, according to the report.

Newsom on Tuesday cited the report's findings in a renewed pushed for the construction of the Delta Conveyance Project — a controversial, $20 billion plan to tunnel more water from the Sacramento-San Joaquin Delta region to southern portions of the state.

The governor has long been seeking to fast-track the Delta Conveyance proposal and thereby achieve vast improvements to the State Water Project, a storage system that serves about 27 million residents and 750,000 acres of farmland.

“We literally cannot afford to wait to complete this vital project,” Newsom said on Tuesday. “Californians are sick and tired of the self-imposed roadblocks standing in the way of our state’s continued progress.”

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