

LEGISLATIVE-REGULATORY UPDATE

PRESENTED TO
WATEREUSE CALIFORNIA
INLAND EMPIRE
CHAPTER MEETING

Rosario Cortés

Manager of Regulatory Affairs

WaterReuse California

June 24, 2025



ENGAGE. EDUCATE. ADVOCATE.



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SB 1157 Studies

SB 1157 (Statutes 2022, Chapter 679, Hertzberg): Background

- [SB 1157 \(Statutes 2022, Chapter 679, Hertzberg\)](#)
 - Lowered indoor standard to 47 – RI gpcd in 2025
 - and 42 – RI gpcd in 2030
- January 2023 [budget change proposal](#):
 - Requested \$7 million in General Fund to support State Operations over four years, beginning in FY 2023-24
 - For the implementation of SB 1157
 - Specifically: quantify the economic benefits and impacts of the 2030 Indoor Residential Water Use Standard on water, wastewater, and *recycled water systems*



DWR Water Use Efficiency Unit Actions

- Fall 2024: DWR launched the SB 1157 Impacts Technical Advisory Panel (TAP)

Benefits and Impacts TAP

Water Suppliers

Elizabeth Lovsted, P.E. (*SDCWA*)

Fiona Sanchez (*IRWD*)

Florence Wedington, P.E. (*EDMUD*)

Consultants

Erik Porse, Ph.D. et al. (*UCANR*)

Gregorio Estrada, P.E. (*HDR*)

Flume Water (*Indoor Water Use*)

Other Water Agencies

Rosario Cortes (*WaterReuse*)

Derek Dolfie (*CMUA*)

Steve Jepsen, P.E. (*Clean Water SoCal*)

Jared Voskuhl (*CASA*)

Derek Zondervan, P.E. (*LACSD*)



CALIFORNIA DEPARTMENT OF
WATER RESOURCES



DWR Water Use Efficiency Unit Actions

- Early 2025: DWR Survey and solicitation for Working Group members
- Survey is now complete, and the Working Groups will launch soon!

Working Groups



- Starting with 2 (Indoor Water Use & Benefits and Impacts)
- ~30 people, selected based on interest and attempts to be representative of interested parties
- Broader input than TAPs
 - Fill in the gaps
- Policy/environmental/other considerations
- Work iteratively with TAPs
- Kickoff early 2025

SB 1157 Working Group Participation Form

Please complete this form if you are interested in participating in one of the SB 1157 Study Working Groups.

1. Please enter your name

Enter your answer

2. Please enter your email contact

Enter your answer

3. What is your affiliation?

☐ Supplier

☐ Consultant

☐ NGO

☐ Non-Profit

☐ Interested Member of the Public

☐ Other

4. If applicable, please enter the name of your organization

Enter your answer

5. Which SB 1157 Working Group are you interested in joining?

☐ Indoor Water Use

☐ Benefits and Impacts

☐ No Preference

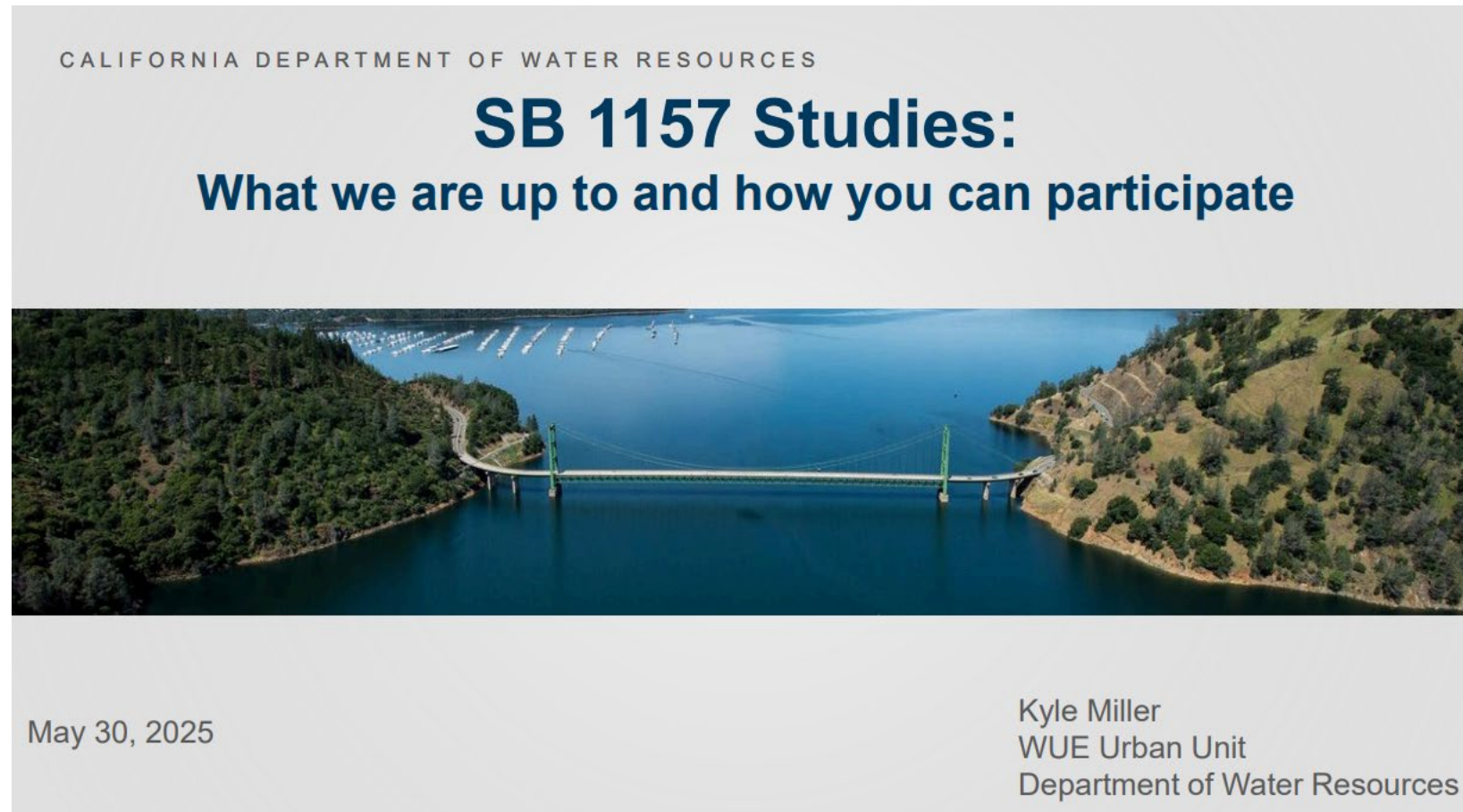
6. Please briefly describe your background and qualifications. Why should you be selected to participate in a SB 1157 Working Group?

Enter your answer

Submit

DWR Presentation to WRCA Legislative-Regulatory Committee

- On Friday, May 30, DWR's Kyle Miller provided an update



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Onsite Treatment and Reuse of Nonpotable Water Proposed Regulations

Onsite Treatment and Reuse of Nonpotable Water Rulemaking: Key Dates



3/21/25: State Board (Board) [released the Notice of Proposed Rulemaking](#) regarding this rulemaking



5/8/25: Board staff conducted an Administrative Procedure Act [public hearing](#) regarding the proposed regulation



5/9/25: Written Comments Due



Likely subsequent public comment period



Late 2025 or early 2026: the Final regulations are expected to be considered for adoption by the Board



Administrative Procedure Act Public Hearing

- May 8
- WRCA testified on issues outlined in our May 9 comment letter
- [Video Recording](#)
- [Division of Drinking Water staff presentation slides](#)



Comment Letter

- May 9: joint [CASA/ACWA/WateReuse CA comment letter](#)
- There will be a subsequent public comment period for any changes to the proposed regulation text, but no timeline has been determined



Sent via email: Commentletters@waterboards.ca.gov

May 9, 2025

Ms. Courtney Tyler, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

RE: Comments — Proposed Onsite Treatment and Reuse of Nonpotable Water (OTNWS) Regulation

Dear Ms. Tyler:

On behalf of WateReuse California (WRCA), California Association of Sanitation Agencies and the Association of California Water Agencies, we are pleased to submit comments on the draft Onsite Treatment and Reuse of Nonpotable Water Regulation (onsite regulation). WRCA represents over 200 public agencies, consulting firms, and companies dedicated to expanding water reuse in California. CASA represents more than 130 public agencies and municipalities that engage in wastewater collection, treatment, recycling, and resource recovery. ACWA represents approximately 470 public agency members who are collectively responsible for 90% of the water delivered to cities, farms and businesses in California. We are committed to advancing laws, policy, funding, and public acceptance of recycled water and other types of water reuse.

Support of Onsite Water Reuse

We appreciate the State Water Resources Control Board's (State Board) ongoing support of recycled municipal water and potable reuse as a critical water supply for California, especially as identified in the Governor's *Water Supply Strategy*. Additionally, we are committed to effective standards that promote onsite reuse where appropriate and in coordination with municipal wastewater and recycled water operations.

WRCA is a section of the national organization, the WateReuse Association, who is a partner and financial supporter of the National Blue Ribbon Commission for Onsite Water Systems (Commission), which is advancing the best management practices to support the use of onsite non-potable water systems at the local level. This Commission has also recognized the importance of community choice and consultation with municipal water and sewer providers as onsite reuse is implemented and expands.



Onsite Treatment and Reuse of Nonpotable Water: Rulemaking Information

- *California Water Code section 13558 requires the State Water Board to adopt regulations on or before December 1, 2022, for risk-based water quality standards for the onsite treatment and reuse of nonpotable water for nonpotable end uses in multifamily residential, commercial, and mixed-use buildings.*
- [Rulemaking Information](#)
- [Frequently Asked Questions](#)
- [Text of Proposed Regulations](#)



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WRCA Sponsored Bill

WRCA Sponsored Bill

AMENDED IN ASSEMBLY JUNE 9, 2025

AMENDED IN SENATE MAY 12, 2025

AMENDED IN SENATE APRIL 21, 2025

AMENDED IN SENATE MARCH 26, 2025

AMENDED IN SENATE FEBRUARY 10, 2025

SENATE BILL

No. 31

**Introduced by Senator McNerney
(Principal coauthor: Senator Rubio)
(Coauthors: Senators Seyarto and Valladares)**

December 2, 2024

An act to amend Sections 13529.2, 13551, 13552.4, 13553, and 13554 of the Water Code, relating to water quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 31, as amended, McNerney. Water quality: recycled water.

(1) The Water Recycling Law generally provides for the use of recycled water. Existing law requires any person who, without regard to intent or negligence, causes or permits an unauthorized discharge of 50,000 gallons or more of recycled water in or on any waters of the state to immediately notify the appropriate regional water board.

This bill would, for the purposes of the above provision, redefine "recycled water" and provide that water discharged from a decorative body of water during storm events is not to be considered an unauthorized discharge if recycled water was used to restore levels due to evaporation.

(2) Existing law regulating the use of recycled water prohibits the use of prescribed potable water by state and local agencies for any

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- [Senate Bill 31](#)
- Authored by Senator Jerry McNerney (SD 5)
- [Press Release](#)
- [Author's Fact Sheet](#)
- Passed the Assembly Water, Parks, and Wildlife Committee 10 – 0
- Next **stop**: Assembly Environmental Safety and Toxic Materials Committee on July 1

SB 31 (McNerney) does the following:



Requires homeowners' associations, when recycled water is available, to use recycled water to irrigate outdoor common areas.



Ensures that homeowners' associations won't have to install expensive and cumbersome new plumbing systems to use recycled water.



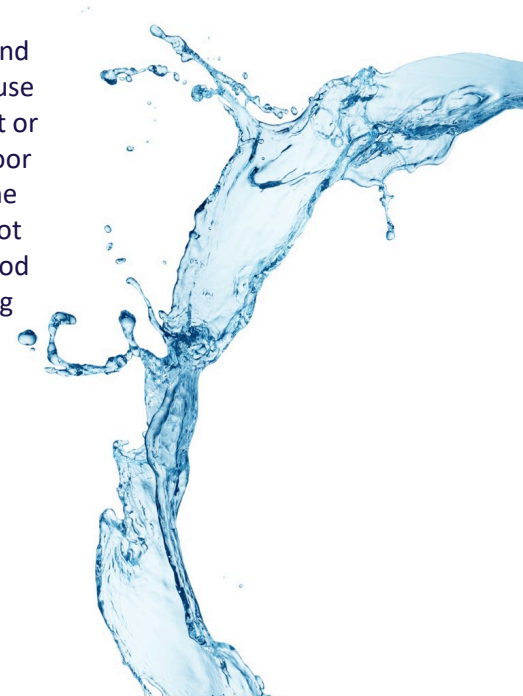
Enables parks to expand their use of recycled water.



Ensures that using recycled water in decorative bodies of water, such as a lake at a golf course, isn't deterred by overly burdensome regulations.



Allows food handling and processing facilities to use recycled water for toilet or urinal flushing or outdoor irrigation as long as the recycled water does not enter a room where food handling or processing occurs.



WRCA Sponsored Bill

- June 10 is the recent coalition letter
- To join the next coalition letter or if you have any questions, please reach out to [Brenley](#) and Beth



June 10, 2025

Assemblymember Diane Papan
Chair, Assembly Water, Parks & Wildlife Committee
1020 N Street, Room 1160
Sacramento, CA 95814

RE: SB 31 (McNerney): Water Quality: Recycled Water- SUPPORT, as proposed to be amended.

Dear Chair Papan,

SB 31 Support

We are writing to express our strong support for SB 31 (McNerney) regarding recycled water and urge your "aye" vote in committee. The measure would require updates to Title 22 of the California Code of Regulations to better align regulations with best management practices for recycled water use.

Title 22 hasn't been updated in twenty years, during which time advancements in treatment and technology have made the use of recycled water more widely available. The Governor's Water supply strategy correctly identifies that water recycling can help drought-proof communities and sets a goal of recycling at least 800,000 acre-feet of water per year by 2030 and 1.8 million acre-feet per year by 2040. Aligning regulations with best available practice is critical to helping meet these important recycled water goals.

Recycled water is widely supported as a drought-proof water supply that helps reduce dependence on imported water or can recharge or offset groundwater. SB 31 focuses on non-potable uses of recycled water. Maximizing the use of recycled water in place of potable water is a critical piece for local communities to reduce demand on drinking water supplies while following all regulations that protect the health and safety of Californians.



Other bills of interest

[AB 794 \(Gabriel\)](#): Safe Drinking Water Act: Emergency Regulations
WRCA 3/7 Position: OPPOSE UNLESS AMENDED

[SB 72 \(Caballero\)](#): California Water Plan: Long Term Water Supply Targets
Sponsor: CMUA and Western Municipal Water District
WRCA 3/7 Position: SUPPORT

PFAS Legislation

[SB 682 \(Allen\)](#): Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances
Sponsor: CASA
WRCA 3/7 Position: SUPPORT

[SB 454 \(McNerney\)](#): PFAS Mitigation Fund
Sponsor: League of Cities and ACWA
WRCA 3/7 Position: SUPPORT

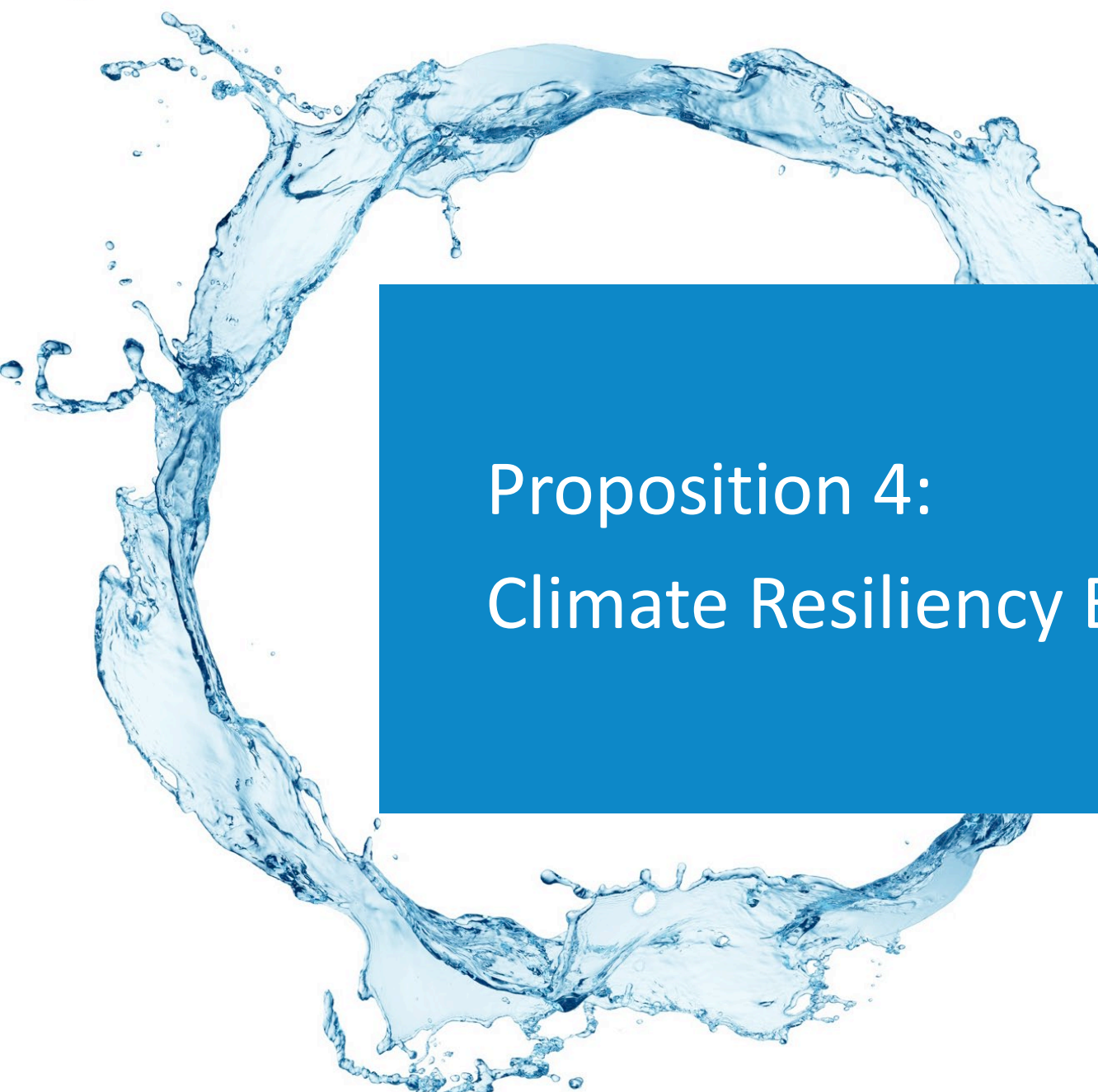


WRCA Bill List

Click [here](#) for the full list of bills WRCA is tracking

For general legislative information go to the California Legislative Information website and use the [Bill Information tab](#)



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Proposition 4: Climate Resiliency Bond

Proposition 4: Where we have come

- [Budget Trailer Bill Language](#): Climate Bond (Proposition 4) Amendments
- Bond contains approximately \$386 million for water reuse and recycling projects
- January 10: Governor's Proposed Budget for State Fiscal Year (SFY) 2025-26 – proposes to reduce water recycling General Fund appropriations by \$51 million
- May 14: Governor Newsom's May Revision "May Revise" – funding for water recycling has been maintained
- June 13: A Budget is passed – with no Prop 4 allocations

Shifts Some Prior Spending to Proposition 4

Governor Proposes Shifting Some Prior Spending Commitments to Proposition 4

Shifts from General Fund Unless Otherwise Noted (In Millions)

Purpose	Implementing Department	Amount
Safe Drinking Water, Drought, Flood, and Water Resilience		
Water recycling	SWRCB	\$51
Dam safety	DWR	47
Systemwide flood risk reduction	DWR	15
Wildfire and Forest Resilience		
Stewardship of state-owned land	Parks	\$68
Home hardening	CalOES	13
Extreme Heat Mitigation		
Community Resilience and Heat Program	LCI	\$15
Biodiversity and Nature-Based Climate Solutions		
Watershed climate resilience	WCB	\$32
Park Creation and Outdoor Access		
Deferred maintenance	Parks	\$14
Clean Energy		
Demand-Side Grid Support Program	CEC	\$50 ^a
Total		\$305

^a Shifts support from the General Fund and Greenhouse Gas Reduction Fund to Proposition 4. These fund shifts would provide \$50 million of previously unallocated Clean Energy Reliability Investment Plan funds to Demand Side Grid Support Program.

SWRCB = State Water Resources Control Board; DWR = Department of Water Resources; Parks = Department of Parks and Recreation; CalOES = California Governor's Office of Emergency Services; LCI = Governor's Office of Land Use and Climate Innovation; WCB = Wildlife Conservation Board; and CEC = California Energy Commission.



Proposition 4: What is to come ...with Budget 2025-26

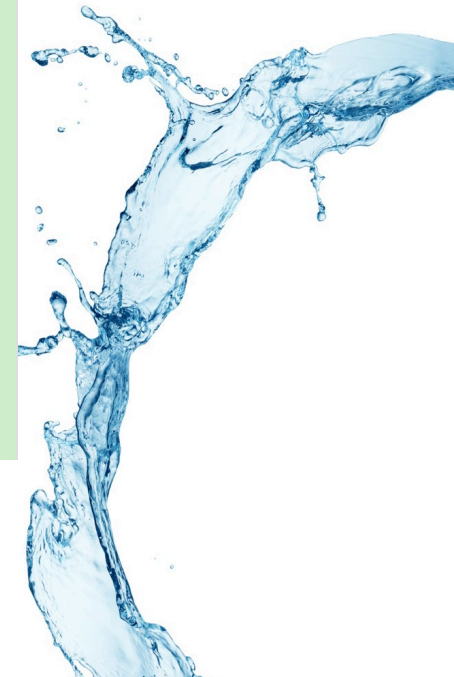
- 2 Budget Bill Juniors and 9 Budget Trailer Bills have been released
- June 30: Revised budget by this time, *expected by Friday, June 27*
- Summer: More revisions to come...
- December 2025: Division of Financial Assistance to amend Water Recycling Funding Program Guidelines to incorporate large-scale project eligibility and guidance

Department of Finance

Enacted Budget

(Summer)

The Budget passed by the Legislature and
signed by the Governor



Proposition 4 & WRCA Advocacy

- February 12, 2025:

*Reject the Governor's Proposal
to Revert \$51 million in
Recycled Water General Funds*

*Allocate the proposed \$153
million from Prop 4*



February 12, 2025

The Honorable Gavin Newsom
Governor of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Mike McGuire
Senate President Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

The Honorable Scott Wiener
Chair, Senate Budget Committee
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Comm
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Ben Allen
Chair, Senate Budget Sub Comm #2
1021 O Street, Suite 6610
Sacramento, CA 95814

The Honorable Steve Bennett
Chair, Assm. Budget Sub Comm #4
1021 O Street, Suite 4710
Sacramento, CA 95814

Dear Governor Newsom, Pro Tem McGuire, Speaker Rivas, Chair Wiener, Chair Gabriel, Chair Allen
and Chair Bennett,

WaterReuse California (WRCA), the Association of California Water Agencies (ACWA), the California
Association of Sanitation Agencies (CASA), the California Municipal Utilities Association (CMUA)
and the Southern California Water Coalition (SCWC) represent the state's water recycling,
wastewater and water agencies. We strongly believe that investing in water recycling is critical to
ensure water supply reliability for all Californians.

State government, at all levels, has a longstanding commitment to supporting recycled water
development as a local, drought-resilient water supply. The Governor's Water Supply Strategy for
Adapting to a Hotter, Drier California identifies water recycling as the key action to protecting
community water supplies. The Strategy calls for reusing at least 800,000 acre-feet of water per
year by 2030 and 1.8 million acre-feet by 2040.

We respectfully propose several budget actions to ensure water recycling can keep pace with the
demand for drought-proof, local, resilient water supplies. With at least \$16 billion in planned
recycled water projects in California, we look forward to working with the Governor and the
Legislature to ensure development of local water supplies is a priority in the 2025-26 state budget.





California Financing Coordinating Committee (CFCC)

CFCC Resources

- CFCC agencies fund the following types of eligible infrastructure projects: drinking water, wastewater, water quality, water supply, water conservation, water use efficiency, energy efficiency, and flood management
- [CFCC Spring Funding Fair 2025 Handbook](#)
 - The Handbook includes a great tool called the [Common Funding Inquiry Form](#)



CFCC Slide Presentations from 2025 Spring Funding Fair

Click on a thumbnail to open a PDF



U.S. Bureau of Reclamation



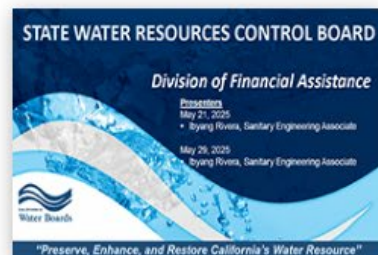
California Department of Water Resources



California Infrastructure and Economic Development Bank (IBank)



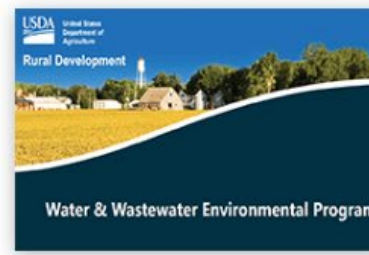
Rural Community Assistance Corporation (RCAC)



California State Water Resources Control Board



Strategic Growth Council



U.S. Department of Agriculture – Rural Development



U.S. Environmental Protection Agency





Clean Water State Revolving Fund

Clean Water State Revolving Fund: Intended Use Plan (IUP) Where we have come

- March 29, 2025: Fiscal Year 2024-25 CWSRF IUP December 2024 Update was released
 - [Updated 2024-25 CWSRF Intended Use Plan Comprehensive List](#)
 - [Updated 2024-25 CWSRF Intended Use Plan Fundable List](#)
- May 30, 2025: Staff released the [proposed IUP](#)
- June 16, 2025: [State Board Workshop](#) – received public comments



Clean Water State Revolving Fund: Intended Use Plan (IUP) What is to come

- August 5, 2025:
Anticipated Adoption of
the proposed SFY 2025-26
CWSRF IUP

BACKGROUND

The CWSRF IUP outlines the State Water Board's business plan for administering the CWSRF and its complementary funding for the state fiscal year. The IUP specifically identifies the available funding, the types of projects eligible for financing, the criteria for selecting projects, a fundable list of projects, the associated financing terms, certain technical assistance funding, the financial status of the program, and the measures that will be used to track the program's performance.

Table 4 Cut-Off Scoring Scenarios – Fundable Projects (\$ in millions)

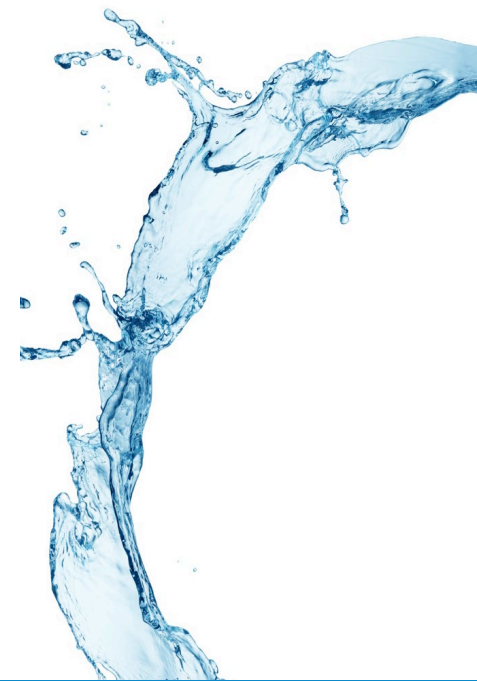
Scenario	Cutoff Score	# of New Fundable Projects	Total Requested Funding, M	Total new CWSRF Funding, M	Estimated CWSRF Financing for SFY 2024/25, M ⁶	Five Year Average / Excess of Funding Target
A	Rollovers Only	0	\$904	\$0	\$629	\$690 million / +\$90 million
B	Automatically Fundable	1	\$929	\$25	\$654	\$695 million / +\$95 million
C	14	3	\$983	\$61	\$690	\$702 million / +\$102 million
D	13	10	\$1,574	\$370	\$999	\$754 million / +\$154 million
E	12	11	\$1,624	\$420	\$1049	\$764 million / +\$164 million

May 30, 2025: Staff released the proposed IUP

- This table shows the Division of Financial Assistance's possible funding scenarios with a recommendation to adopt Scenario D
- Scenario D would add \$370m of new projects.
- In addition, they anticipate allocating \$147m in Water Recycling Funding Program grants
- Caveat: assuming the Legislature and Governor agree to allocate Prop 4 funds in the 2025-26 State Budget
- WRCA and CASA asking for Scenario E

Funding Sources & Financial Outlook, Page 20 of the IUP

In November 2024, Proposition 4 was approved by voters and appropriated approximately \$386 million in grants for projects related to water reuse and recycling. In SFY 2025-26, approximately \$150 million is projected to be available to encumber to projects. Proposition 4 included language requiring the State Water Board to adopt modified grant funding requirements for large-scale water recycling or reuse projects. Large-Scale Construction projects are defined as projects that will deliver at least 10,000 acre-feet per year (AFY) of recycled water at the completion of all phases of construction. Eligible Large-Scale Construction projects are not required to provide user agreements or contracts for water delivery, may apply for multiple phases of the project, and are eligible for up to the maximum identified in Table 9.



Clean Water State Revolving Fund

- November 22, 2024: WRCA joint comment letter with CASA
- If you have any questions, please reach out [Beth](#)



November 22, 2024

Submitted electronically to commentletters@waterboards.ca.gov

Courtney Tyler, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor Sacramento, CA 95814

RE: Comment Letter – November 5, 2024 Board Workshop – CWSRF Policy Amendment

Dear Ms. Tyler,

On behalf of WaterReuse California (WRCA) and the California Association of Sanitation Agencies (CASA), thank you for the opportunity to provide comments on the November 2024 draft Clean Water State Revolving Fund (CWSRF or SRF) policy amendments (Draft Policy Amendments). WRCA represents 220 public agencies, consulting firms, and companies committed to expanding the use of recycled water in California. CASA represents more than 130 public agencies and municipalities that engage in wastewater collection, treatment, recycling, and resource recovery. Together, our member agencies are engaged in advancing recycled water production and beneficial reuse, committed to developing renewable energy supplies, and actively maximizing water reuse in the state of California.

In summary, our recommendation on the process for the Draft Policy Amendments are three-fold:

- (1) Adopt streamlining and consensus-based non-scoring amendments, near-term;
- (2) Defer adoption of substantive scoring amendments until later in 2025;
- (3) Utilize the SRF Stakeholder Advisory Group (SRF SAG) in the interim to develop consensus-recommendations for the Secondary Score, Affordability Score, and Readiness Score.

We have divided our substantive comments on the Draft Policy Amendments into two sections: the first pertains to the proposed non-scoring amendments, and the second to the proposed scoring amendments.

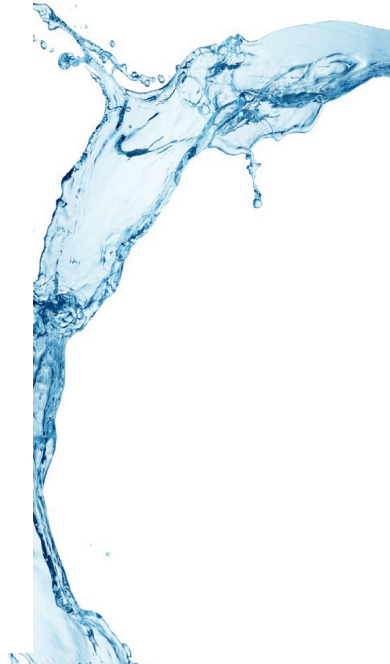
Proposed Non-Scoring Amendments

1. Clarify the Proposed Language in the Construction Completion Date Provision

"XIV. Construction/Implementation Financing Payments

D. The Recipient must make its first annual payment not later than one year following the Completion of Construction date, as established in the originally executed Financing Agreement. The Division will generally not extend the initial repayment date, but shall have discretion to extend on a case-by-case basis, upon justification from the Recipient."

State Water Resources Control Board (SWRCB) staff have done an excellent job explaining the rationale and need for this amendment, after our organizations reached out to dialogue about initial impressions and concerns with this new language. We now understand that the intent of the change is to better manage the health of the fund by ensuring funds return to the program for further utilization. We propose a few clarifications to eliminate any unintended financial consequences with this new provision.





WaterReuse Federal Issues

WaterReuse remains engaged


- U.S. Environmental Protection Agency's Office of Water is committed to water reuse!
- The EPA Administrator has praised reuse
- On the U.S. Department of the Interior side, there is no Bureau of Reclamation Commissioner yet
- Temporary appointees at Interior have flagged certain water reuse grants



H.R. 1267, Water Systems PFAS Liability Protection Act

- 2024: EPA designated perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS)—two PFAS chemicals—as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
- WRA supports this bipartisan bill that would preserve “polluter pays” principle under CERCLA
- Please reach out to WateReuse Association’s Director of Government Affairs and Policy [Greg Fogel](#)





Volumetric Annual Report (VAR) of Wastewater and Recycled Water

Volumetric Annual Report

- The State Water Resource Control Board's *Recycled Water Policy* requires wastewater treatment plants and recycled water producers to report monthly volumes of influent and effluent each year from the previous calendar year every April



Volumetric Annual Report

- The 2024 Volumetric Annual Report is the same format as the previous year and requires the entry of volumes in acre-feet per month for influent, effluent and if applicable, recycled water use. Volumetric conversion factors can be found in the [Help Guide](#).
- Additional webinar training for submitting the Volumetric Annual Report, and data, infographics, and interactive map for 2019-2023 can be found on the Volumetric Reporting Webpage.
- Submit the 2024 Volumetric Annual Report through the volumetric annual report [module in GeoTracker](#) by **April 30, 2025**.



Join us!



2025 WaterReuse California Annual Conference

- September 21-23, 2025
- Town and Country Resort
- San Diego, CA



2026 WaterReuse Symposium

- March 8-11, 2026
- InterContinental
- Los Angeles, CA
- Questions?

symposium@watereuse.org



Questions?

Rosario Cortés

Rosario Cortés 💧 rcortes@watereuse.org