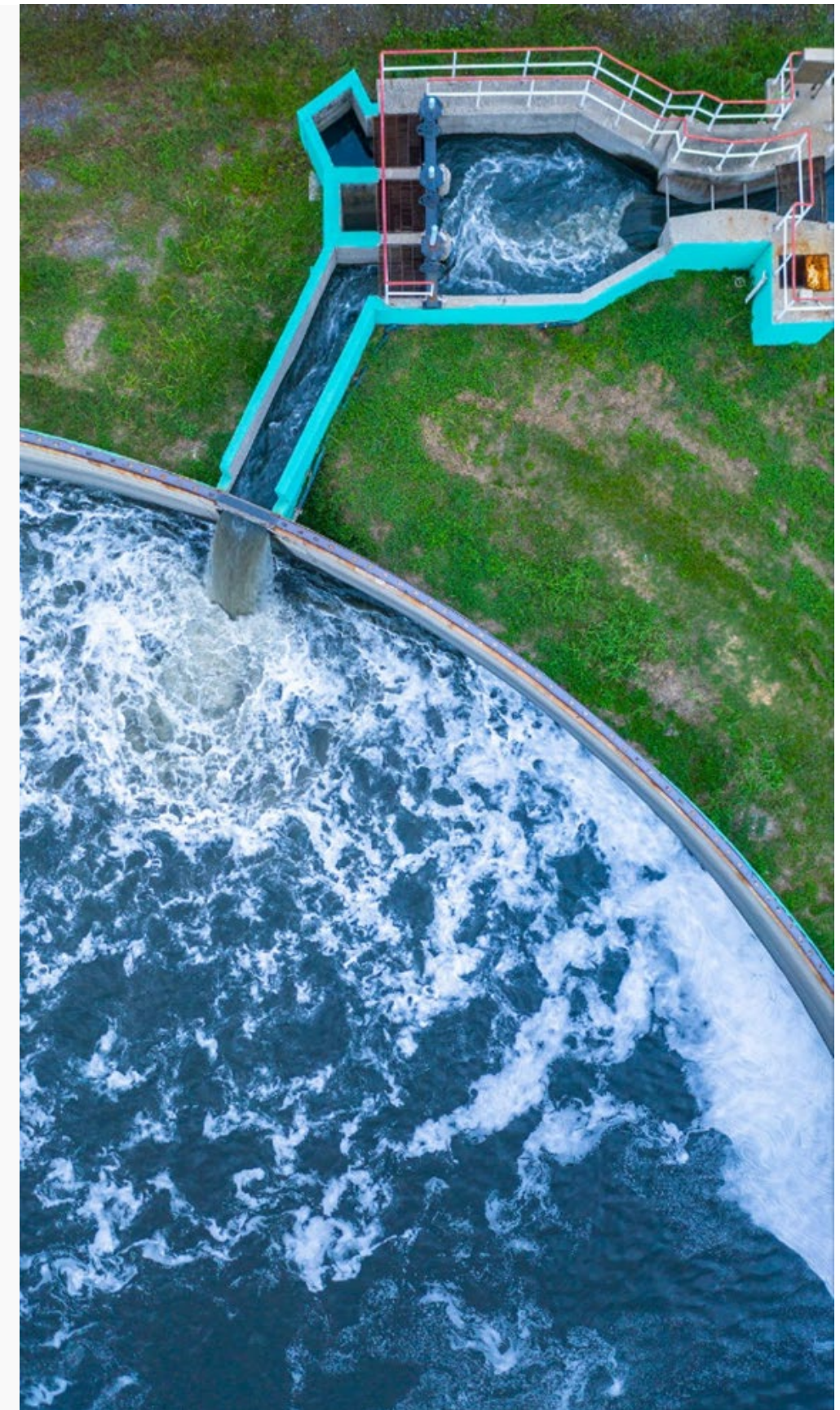


Meeting Highlights

LEGISLATIVE & REGULATORY COMMITTEE |
MAY 22, 2026



Agenda

1. Budget & Funding Updates
2. Legislative Status
3. Clean Water State Revolving Fund Updates
4. SB 1157 Technical Updates
5. Organizational Updates
6. Conference Announcements
7. Next Steps



Budget & Funding Updates

State Fiscal Outlook

- Governor's May Revision reflects improved revenues driven largely by AI-related capital gains tax collections
- Prop 4 funding allocations have disappointed many stakeholders
- State Water Board continuing funding application processes despite uncertainty over future allocations

Legislative Update

Key bills and areas to watch

1. **AB 35** — APA exemption bill continues moving forward; technical cleanup amendments expected
2. **Water Reuse Sponsored Bill** — Passed appropriations suspense; moving to Assembly Floor next week
3. **SB 601** — No major updates; anticipated activity in June/July
4. **AB 2619** — Concern over undefined “large consumptive use” classification; potential impacts to recycled water projects

CWSRF Updates

1. New project scoring system implemented; minimum cutoff score set at 13
2. Monitoring project competitiveness under new scoring criteria
3. Federal IJA funding approaching expiration; significant changes to future availability expected
4. Feedback requested on treatment of incomplete applications

SB 1157 Technical Update

Data Quality & Modeling

- Data quality concerns identified in state reporting databases
- Residential indoor water use analysis being revised
- Ongoing evaluation of modeling assumptions
- Additional discussion planned at the June meeting

Organizational Updates

Regulatory Consultant Recruitment

- Regulatory consultant recruitment underway
- Goal is to replicate the successful legislative advocacy model

Annual Conference Update

WateReuse California Annual Conference

- Draft Program has been released
- Early bird registration closes May 29, 2026
- Hyatt room block already more than 80% reserved
- My ask of you, please register early!

Next Steps

- Continue monitoring legislative developments
- Track implementation of new SRF scoring criteria
- Participate in upcoming SB 1157 discussions
- Review regulatory consultant proposal
- Prepare for our annual conference in August

Thank You

LEGISLATIVE & REGULATORY COMMITTEE
MEETING: JUNE 12, 2026 | VIRTUAL

