



LEGISLATIVE REPORT

February 2026

Federal Updates

U.S. Senate Committee on Environment & Public Works Hearing to Identify and Address Cybersecurity Challenges to Protect America's Water Infrastructure February 4, 2026

Summary of Testimony covering Rural Issues

Matt Odermann Executive Board Member , North Dakota Rural Water Systems Association

- Small and rural communities share the same responsibility as major cities which is complying with the Safe Drinking Water Act and Clean Water Act but scale is the defining difference (small water and wastewater systems operate with limited staff, revenue, and technical capacity)
- Cyber incidents on smaller communities have bigger consequences
- Offers these principles:
 1. Lead with assistance, not enforcement
 - “If cybersecurity is perceived primarily as a compliance requirement enforced by a regulator like the Environmental Protection Agency (EPA), utilities will naturally be cautious and defensive. If it is presented as risk reduction support, with trusted partners and clear technical help, adoption will be much stronger.”
 2. Fund any mandate
 - “Cybersecurity improvements require hardware, software, technical assistance, training, and staff time. For small systems, even a few thousand dollars can be a barrier. Grants, low-interest loans, and set-asides specifically for cybersecurity in water infrastructure programs are essential. You cannot build resilience without resourcing it.”
 3. Focus on foundational controls
 - “Most water systems are not struggling with advanced nation-state threats first. They are struggling with phishing, weak passwords, outdated systems, and lack of backups. Federal efforts should prioritize practical, achievable baseline controls rather than complex frameworks that overwhelm small utilities.”
 4. Use trusted intermediaries
 - “Organizations like NRWA, WaterISAC, and state rural water associations have decades of established trust with utilities. When cybersecurity guidance and programs flow through these channels, they are more likely to be understood, accepted, and implemented. “
 5. Recognize diversity in the sector
 - “A small rural system serving 800 people with two employees cannot be treated the same as a large metropolitan utility with a full IT department. A one-size-fitsall approach will fail. Flexibility and scalability must be built into any federal cyber action.”
- Rural and small systems must be supported with training and accessible tools
- Practical, scalable cybersecurity assistance can help these utilities manage risk and protect public health within budget constraints
- Engagement between rural utilities and trusted sector partners is crucial to building capacity on the ground

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Of note - this is another area where GDPUD can seek Federal funding

State Updates

The second year of the legislative cycle starts with the deadline for all first year introduced bills to move out of committee by Jan 23 and to pass each house by Jan 31 or else these bills become dead. New Bills can be introduced up to Feb 20, with spring recess from March 26 to April 6. At this point what is needed will be engagement for advocacy and working on bill amendments .

Legislative Report - Action Items

Support Bill to Amend Prop 218

ACWA working group to allow for proportionately clarifications in 218

PROPOSED BILL LANGUAGE [REVISED AS OF 1-22-26]

A bill adding section 53759.5 to the Government Code:

53759.5. (a) For any fee or charge adopted under Article XIII D, section 6, of the California Constitution, the proportional cost of the service attributable to the parcel may be shown by any method that reasonably allocates the ascertainable cost of providing service to all parcels, which allocation must be substantiated by existing or reasonably estimated or projected data that reasonably captures the cost of the service to be provided.

(b) Notwithstanding subsection (a) above, when imposing a fee or charge for water or sewer service, an agency need not provide an exact measure of the cost of service at each parcel, and an agency may impose uniform or tiered fees or charges to parcel or customer classes that are defined based on common characteristics indicative of likely water or sewer use, including, but not limited to, the nature and size of improvements to a parcel, land use, the nature or number of plumbing fixtures, or system-wide peak use characteristics.

(c) If an agency imposes a tiered fee or charge, the agency has discretion to determine the service costs allocated to each usage tier. Such an allocation is consistent with Article XIII D, section 6, subdivision (b), of the California Constitution so long as the fee or charge assigned to each tier does not exceed the proportional cost of providing service to parcels subject to that tier. An agency may substantiate the proportional cost of service within each tier by using any reasonable basis for allocating costs attributed to the tier, including:

(1) the costs of or related to obtaining water supplies from various sources.

(A) If an agency incurs increasingly expensive costs for water supplies from various sources to support increasing tier rates, the agency may reasonably allocate the costs to use those sources of supply based on total water portfolio.

(B) An agency is not required to trace the cost of supplying water from each source to any specific parcel and may instead determine costs based on general usage characteristics.

(2) facilities operation, maintenance or construction costs.

(3) contribution to system-wide peak demand projections. If an agency uses peaking or extra-capacity costs to support tiered rates, the agency may rely on overall projected or estimated system capacity and need not rely on time-of-use metering.

(4) if an agency uses peaking or extra-capacity costs to support tiered rates, the agency may rely on overall system capacity and need not rely on time-of-use metering.

LEGISLATIVE REPORT

Director Saunders

DISTRICT POSITIONS

updates

Federal		
Bill	Brief Description	District Position
H.R.4733 - Low-Income Household Water Assistance Program (LIHWAP) Establishment Act	The previous program sunset May 2024. This would reestablish the program	Support
S.2388 - Water Infrastructure Modernization Act	Will provide grants for community water systems to adopt "intelligent" water technologies. Alternative water source projects would include ability for funding projects including stormwater management and wastewater treatment	Support
S.1549 - Water Security Enhancement Act	Aims to strengthen the cybersecurity of public water systems by amending the Safe Drinking Water Act. It proposes to extend and expand the Drinking Water Infrastructure Risk and Resilience Program to provide grants and technical assistance for cybersecurity training and resources, particularly for smaller and rural water systems	Support
H.R.4879 - Emergency Rural Water Response Act	Improves emergency water assistance for rural communities. The legislation is intended to streamline the process for obtaining emergency aid and broaden eligibility for critical grant funding from the USDA	Support
S.2597/H.R.4854 - Saving the Department of the Interior's Workforce Act	Institute a reduction in force moratorium at all agencies and bureaus of the Department of the Interior, and for other purposes.	Support
H.R.2308 - Fixing Emergency Management for Americans (FEMA) Act	Restore's FEMA status to an independent federal agency, provides critical permitting waivers to expedite applications and building restoration, and reforms the pre-disaster mitigation grant program	Support
H.R.3838 - Promoting Efficient Review for Modern Infrastructure Today (PERMIT)	Limits the scope of the Clean Water Act by redefining navigable waters to exclude (1) waste treatment systems, (2) ephemeral features that flow only in direct response to precipitation, (3) prior converted cropland, (4) groundwater, or (5) any other features determined to be excluded by the U.S. Army Corps of Engineers.	Support
H.R.4181 - Wildfire Infrastructure and Landowner Tax Relief Act	The bill amends the Internal Revenue Code of 1986 to provide incentives for wildfire prevention by excluding hazardous fuel reduction and firefighting infrastructure improvements on personal-use property from being considered taxable income	Support
H.R.3889 - National Prescribed Fire Act	Encourage and expand the use of prescribed fire on land managed by the Department of the Interior or the Forest Service, with an emphasis on units of the National Forest System in the western and southeastern United States, to acknowledge and support the long-standing use of cultural burning by Indian Tribes and Indigenous practitioners, and for other purposes.	Support
H.R.1105 - Disaster Resiliency and Coverage Act	Establish an individual household disaster mitigation program, and for other purposes.	Support
H.R.8812 - Water Resources Development Act of 2024	This bill authorizes, deauthorizes, and modifies various water resources feasibility studies and projects of the U.S. Army Corps of Engineers. GDPUD has a Bill amendment for \$20.5 million. https://www.congress.gov/bills/118th-congress/house-bill/8812	Support
H.R. 471 Fix Our Forest Act	Establishes requirements for managing forests on federal land, including requirements concerning reducing wildfire threats, expediting the review of certain forest management projects, and implementing forest management projects and other activities. https://www.congress.gov/bills/119th-congress/house-bill/471/text	Support
H.R. 403 (Swallwell - CA) Preventing Our Next Natural Disaster Act	To enhance predisaster mitigation to prevent future natural disasters, and for other purposes. Modifies the Building Resilient Infrastructure and Communities (BRIC) grant program of the Federal Emergency Management Agency (FEMA). https://www.congress.gov/bills/119th-congress/house-bill/403	Support
S. 670 (Bennett - CO) Protect the West Act	Invests \$60 billion in forests across the West to reduce wildfire risk, restore watersheds, protect communities, and reduce wildfire suppression costs https://www.congress.gov/bills/119th-congress/senate-bill/670	Support
S. 350 (Padilla - CA) Wildfire Emergency Act	This bill exempts specified water management entities from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) for releases of certain perfluoroalkyl or polyfluoroalkyl substances, commonly referred to as PFAS. Specifically, the entities covered under the bill are public water systems, publicly or privately owned or operated treatment works, municipalities with a stormwater discharge permit, political subdivisions or special districts of a state that act as a wholesale water agency, and contractors performing the management or disposal activities for such entities. https://www.congress.gov/bills/119th-congress/house-bill/1267/text	Support
H.R. 1267 (Perez -WA) Water Systems PFAS Liability Protection Act		Support
(Sen Padilla) Amendment to State SRF	Amendmnet to allow for Wildfire Suppression infrastructure from rural water districts to be covered in the SRF	Support
S.2596/H.R.4853 - Saving the Forest Service's Workforce Act (watch)	Creates a moratorium on workforce reductions at the Forest Service until full-year appropriations for fiscal year 2026 are enacted	Watch

State		
Regulation	Brief Description	District Position
Advocacy Coalition Regulatory	ACWA's Coalition to Maintain Funding for Agreements to Support Healthy Rivers and Landscapes In January the District also voted to support the Healthy Rivers and Landscape (HRL) Pathway of the Bay-Delta Plan Link to Advocacy letter: https://www.acwa.com/wp-content/uploads/2025/01/ACWA-Comment-Letter_Draft-Sacramento-Delta-Updates_1.10.25.pdf	Support
Bill	Brief Description	District Position
Tracking: 1st House: Desk - Policy(Comm) - Fiscal - Floor (3 readings - vote); 2nd House: Desk - Policy(Comm) - Fiscal - Floor (3 readings - vote); Back to 1st House for Concurrence: Governor (Chaptered or Vetoes); if vetoed (possible overturn) 2/3 pass in Ass and Sen		

AB 35 (Alvarez) Wildfire Solutions Coalition supported	Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption This Bill would exempt Prop 4 funds from the Administrative Procedure Act allowing the bond money to be distributed without delays.	Support	In Senate - pending referral
AB 259 (Rubio) CSDA sponsored	Brown Act Teleconferencing for Just Cause/emergency sunsets 2025. CSDA sponsoring a bill to make this permanent https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB259	Support	In Senate - Local Govt committee Passed Assem: 5/5/25 (73-0)
AB 372 (Bennett) State matching funds: water system infrastructure improvements.	Would create the Rural Water Infrastructure for Wildfire Resilience Program. Under OES, would provide State matching funding for (1) Upgrading and upsizing waterlines. (2) Installing additional fire hydrants connected to water systems. (3) Enhancing water system delivery and distribution capacity. (4) Creating interconnections between water systems for the purpose of improving water delivery and distribution capacity. (5) Backup power generation. (would use Prop 4 for funding) - Supported Last year under Alvarado-Gil https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB372	Support	In Senate (inactive 9/3); Passed Assem: 6/21/25 (79-0)
AB 404 (Sanchez) CEQA exemption	This bill would extend the CEQA exemptions for prescribed fire, reforestation, habitat restoration, thinning, or fuel reduction projects indefinitely https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB404	Support	DIED
AB 687 (Patterson) Maintenance of timberlands for fuels reduction PCWA sponsored	This bill would authorize up to 35 projects per year that are exclusively for noncommercial wildfire fuels reduction in timberland, less than 1,500 acres in size, and paid for in part or in whole with public funds, to prepare a timber harvesting plan to comply with CEQA. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB687	Support sign on to coalition letter	In Senate (Nat Res Water) Passed Assem: 6/5/25 (56-3)
AB 794 (Gabriel) California Safe Drinking Water Act: emergency regulations	The bill would prohibit maximum contaminant levels and compliance dates for maximum contaminant levels adopted as part of an emergency regulation from being more stringent than the maximum contaminant levels and compliance dates of a regulation promulgated pursuant to the federal act for PFAS/PFOA. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB794	Support sign on to coalition letter	DIED
SB 496 (Hurtado) Advanced Clean Fleets Regulation	Would add amendments to the CARB that will protect communities and provide relief to local agencies when dealing with CARB rules to transition to a zero emission fleet https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB496	Support	DIED
AB 810 (Irwin) Internet websites and email	By Jan 1, 2029 all local governments should have a ".gov" or ".ca.gov" domain or redirect to a website that complies with this requirement https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB810	Not Favor	DIED
AB 269 (Bennett) Dam Safety and Climate Resilience Local Program	This bill would include the removal of project facilities as additional projects eligible to receive funding under the Dam Safety and Climate Resilience Local Assistance Program. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB269	Oppose	DIED
AB 874 (Avila Farias) Mitigation Fees - waiver of fees	This bill would require a local agency to waive fees or charges that are collected by a local agency to fund the construction of public improvements or facilities for residential developments (waiver would be for a minimum term of 55 years) https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB874	Oppose unless amended	DIED
AB 1146 (Papan) Water Infrastructure: Dams, Reservoirs water release	Would allow the SWRCB to issue an interim relief order on its own or upon petition by an interested party for any reservoir water release "under false pretenses". This would prohibit the release of water from the reservoir and the person responsible would be charge with a misdemeanor punishable by a fine, jail, or both. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1146	Oppose	In Senate (Approp); Passed Assem: 6/5/25 (55- 17)
SB 350 (Durazo) Water Rate Assistance Program	Establish the Water Rate Assistance Fund in the State Treasury to provide water affordability assistance, for both drinking water and wastewater services, to low-income residential ratepayers. All water agencies https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB350	Oppose unless amended	DIED
SB 601 (Allen) Water; wastewater discharge	Greatly increases the definition of water to be subject to water quality regulation by using "nexus" waters which has broad inclusion. Adds "Citizen" supervision. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB601	Oppose	In Assem (Approp); Passed Senate: 6/4/25 (23-12)
AB 514 (Petrie- Norris) Emergency Water Supplies	Will have the state encourage, but not mandate, the development of emergency water supplies by local water suppliers, and to support their use during times of drought or unplanned service or supply disruption. Creates a new water definition "emergency water supply" https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB514	Watch	DIED
AB 532 (Ransom) Water rate assistance program	LIRA Program Bill. At present - no guidelines or requirements. Workgroup working with the author for amendments https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB532	Watch	In Senate (approp); Passed Assem: 6/3/25

NEED TO LOOK AT BILL

Suspense File

Pending Action

Prop 218 amendment - Proportionality