Date of Hearing: April 29, 2025

ASSEMBLY COMMITTEE ON ENVIRONMENTAL SAFETY AND TOXIC MATERIALS
Damon Connolly, Chair
AB 372 (Bennett) – As Amended April 21, 2025

SUBJECT: Office of Emergency Services: state matching funds: water system infrastructure improvements

SUMMARY: Establishes, contingent upon funding appropriated from a 2024 bond act, the Rural Water Infrastructure for Wildfire Resilience Program (Program) for the distribution of state matching funds to urban wildland interface communities in high and very high fire hazard severity zones. Specifically, **this bill**:

1) Makes legislative findings about wildfires in California.

2) Establishes the Program within the Office of Emergency Services (Cal OES) for the distribution, as specified below, of state matching funds to urban wildland interface communities, as defined in statute, in high fire hazard severity zones or very high fire hazard severity zones as designated by the State Fire Marshal or a local agency.

3) Requires that, under the Program, funds be distributed to communities to improve water system infrastructure to aid in the protection of property from fire, as specified, including, but not limited to, all of the following:
   a) Upgrading and upsizing waterlines;
   b) Installing additional fire hydrants connected to water systems;
   c) Enhancing water system delivery and distribution capacity;
   d) Creating interconnections between water systems for the purpose of improving water delivery and distribution capacity; and,
   e) Backup power generation.

4) Requires Cal OES to work in coordination with the Department of Water Resources (DWR), the State Water Resources Control Board (State Water Board), the Office of the State Fire Marshal, and other state entities that Cal OES determines to be appropriate, to achieve the purposes of the Program.

5) Requires Cal OES to develop criteria and a scoring methodology to prioritize the distribution of state matching funds provided under the Program to rural communities based upon criteria that include, but are not limited to, the following:

   a) Community water systems that maintain 15,000 water service connections or fewer;

   b) Water infrastructure improvements and projects to aid in fire suppression for properties located near outstanding national resource waters, headwaters, or both, as specified; and,

   c) Water infrastructure improvements and projects to aid in fire suppression that are identified in, and consistent with one or more of, the following plans:

i) A community wildfire protection plan, a California Fire Safe Council action plan, a National Fire Protection Association's Firewise USA Community Wildfire Risk Assessment, a local hazard mitigation plan, or other local plan that addresses the hazards and risks from wildfire; or,

ii) A community water system master plan, hydraulic modeling, or professional engineering reports showing the need for and impact of proposed improvements.

6) Provides that the operation of the Program is contingent upon the Legislature appropriating funding to Cal OES pursuant to Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters in the November 5, 2024, statewide general election, for purposes consistent with the Program.

EXISTING LAW:

1) Defines "urban wildland interface community" as a community listed in "Communities at Risk from Wild Fires," produced by the California Department of Forestry and Fire Protection (CalFire), Fire and Resource Assessment Program, pursuant to the National Fire Plan, federal Fiscal Year 2001 Department of the Interior and Related Agencies Appropriations Act (Public Law 106-291). (Health and Safety Code § 13108.5)

2) Establishes Cal OES within the office of the Governor and makes Cal OES responsible for the state's emergency response services for natural, manmade, or war-caused emergencies. (Government Code (GC) § 8550)

3) Requires the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Requires that the identification of moderate, high, and very high fire hazard severity zones be based on fuel loading, slope, fire weather, and other relevant factors including areas where winds have been identified by the Office of the State Fire Marshal as a major cause of wildfire spread. (GC § 51178)

4) Requires a local agency to designate, by ordinance, moderate, high, and very high fire hazard severity zones in its jurisdiction within 120 days of receiving recommendations from the State Fire Marshal. (GC § 51179)

5) Requires the State Fire Marshal to classify lands within state responsibility areas into fire hazard severity zones. Requires that each zone embrace relatively homogeneous lands and be based on fuel loading, slope, fire weather, and other relevant factors present, including areas where winds have been identified as a major cause of wildfire spread. Requires the State Fire Marshal to periodically review zones designated and rated, and, as necessary, to revise zones or their ratings or repeal the designation of zones. (Public Resource Code §§ 4202 and 4204)

6) Enacts the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, which, if approved by the voters, would authorize the issuance of $10 billion of bonds pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions,

climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. These provisions, as Proposition 4, were approved by the voters in the November 5, 2024, statewide general election. (Public Resources Code § 90000 et seq.)

FISCAL EFFECT: Unknown.

COMMENTS:

Need for the bill: According to the author, "California has experienced a growing number of wildfires with ten of the largest twenty fires occurring since 2020. Our water systems were designed to provide safe drinking water, however the prevalence of fires in this state demands us to re-examine how we prepare for fires. The voters of California made clear with their support of Proposition 4 that they want this state to invest in fire suppression and prevention. AB 372 creates the Rural Water Infrastructure for Wildfire Resilience Program so that small water suppliers, many of which serve disadvantaged communities, can invest in upgrading waterlines, installing additional fire hydrants, enhancing water delivery, and backup power generation. These are the types of intelligent, forward-thinking, actions and investments that we need to make in order to reduce loss and save lives."

Wildfires in California: According to the California Air Resources Board, climate change, primarily caused by the burning of fossil fuels, is increasing the frequency and severity of wildfires, not only in California but also all over the world. Since 1950, as spring and summer temperatures increase and spring snowmelt occurs earlier, the area burned by California wildfires has been growing each year. The Office of Environmental Health Hazard Assessment (OEHHA) noted in 2022 that the area burned by wildfires and the number of large fires (10,000 acres or more) across the state have increased markedly in the last 20 years—trends influenced by altered fuel conditions and climate change. Wildfires in 2020 burned an unprecedented 4 million acres across California. In 2021, about 2.6 million acres burned, making it the second highest burn year, followed by 2018, with 1.5 million acres burned. In other data, CalFire, states that as of 2024, half of the state's 20 largest fires in recorded history had occurred over the previous five years, with all but one of the state's largest fires occurring in the 21st century. CalFire data also show that four out of the five most destructive wildfires in California history happened in just the last 10 years. In 2025, the Eaton and Palisades fires in Los Angeles County destroyed over 16,000 structures and burned 38,000 acres combined; in 2018, the Camp Fire in Butte County destroyed nearly 19,000 structures and burned 153,000 acres; and in 2017, the Tubbs Fire in Napa and Sonoma counties destroyed more than 5,500 structures and burned nearly 37,000 acres. The State Water Board notes that public water systems can sustain heavy impacts during a wildfire.

Water infrastructure and wildfires: Water infrastructure and fighting wildfires are inextricably and complexly linked. Wendy Broley, executive director of the California Urban Water Agencies, explained this situation in February 19, 2025, to the Public Policy Institute of California as follows: "Climate change is fundamentally changing circumstances, and we do have to adapt. Water is a factor in several climate risks, including drought, flooding, and wildfire. But we can’t solve for one issue, like wildfire, without considering the other potential risks at the same time. Urban water systems are very interconnected; change to one part of the system will have a ripple effect across the whole system. We need to look at this more holistically, in terms of a range of water-related climate risks. If you’re only trying to solve the

wildfire problem, you'd say we need more flows to fight fires. So you'd need bigger pipes and more storage. But designing water systems to fight these kinds of fires would be incredibly costly. And installing larger pipes for larger flows, under normal conditions, can lead to the water staying in the pipes for longer, which leads to water quality challenges. And water systems need to protect public health by providing safe drinking water."

The December 2021 University of California policy brief, "Wildfire & Water Supply in California: Advancing a Research and Policy Agenda," describes the distinct dilemma California faces in regards to the wildfire and water supply interface as follows:

> "Wildfires bring new challenges to water system planners. The challenges include protecting infrastructure, treating increased contamination loads post-fire, cleaning water reservoirs, rebuilding destroyed infrastructure, and maintaining power and water access during a fire to, among other things, provide critical support to fire fighters. Water systems may also need to support their customers with interim drinking water during fire recovery and must ensure that the community can trust that tap water is safe as families and businesses return home. We need to identify policy and funding solutions to mitigate the impact of future fires on water systems and their ability to recover water quality quickly, provide water to displaced families, and restore trust in the tap.
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> California's current and expected intensity in future fire regimes presents new challenges for community water supply planners in many parts of the state. Wildfire is one of several climate threats that water utility planners are expected to account for, and the approximately 2,800 community water systems in the state have vastly different planning and operational capacities. Wildfire may threaten the processes to secure, store, treat, and deliver reliable water supplies to first responders and communities. The scale of the problem is evident in a recent Department of Water Resources estimate that "over half of the top at-risk [water] suppliers are in high or very high-risk zones for wildfire, as defined by CalFire" (2020 Water Resilience Portfolio). This is a water equity issue that leaves (often already vulnerable) communities to deal with compounding disasters.
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> The ability of water systems to maintain power during wildfires is critical for supporting firefighting efforts and minimizing damage to infrastructure. As systems divert water supply to help fight wildfire, and as fires contaminate water sources, water suppliers face impairments to both water quantity and quality in their mandate to maintain reliable water delivery to communities. As noted above, the runoff and debris flows after a fire also deliver sediment and contaminant loads downstream that can critically impair water reservoirs.
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> Moreover, policy does not support water suppliers' direct and indirect financing of firefighting activities, although it often represents an outsized portion of water supplier budgets which fireflow sometimes represents. The Governor's Office of Planning and Research, the Department of Water Resources, and the State Water Board have begun working on monitoring and support for this issue, but more attention and resources may be needed."

Small water systems: Pursuant to AB 1668 (Friedman, Chapter 15, Statutes of 2018), DWR issued the "Small Water Systems and Rural Communities Drought and Water Shortage Contingency Planning and Risk Assessment" in March 2021, to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability and to

propose recommendations and information in support of improving their situation. For the report, DWR examined the relative risk of drought and water shortage for 2,419 small water suppliers. The results show that a vast majority of the state's counties (47 of the 58 counties) have small water suppliers in the top 10% of risk scores (240 suppliers) for water shortage. Of those in the top 10%, over half (61% or 149 suppliers) are located in high or very high fire hazard severity zones, as defined by CalFire. Overall, the report indicates that many small water suppliers at risk of water shortage are in high or very high fire hazard severity zones. Among other recommendations, the report recommended that, "The state should support small water systems with technical assistance on drought and water shortage planning, preparation, and response… The state should support small community water systems, and noncommunity water systems that are schools, to install additional infrastructure for improving drought and water shortage preparedness and response (e.g., a backup well or water meters)." In the report, the State Water Board indicates that most water systems under 1,000 connections have difficulty ensuring water supplies during natural disaster events, regardless of the development of planning materials, due to their inherent lack of economies of scale to finance needed infrastructure improvements and the high cost of emergency response activities.

This bill: The goal of this bill is to provide funding for improvements in water system infrastructure for wildfire defense and protection of people and property in high and very high fire hazard severity zones. It does this by establishing the Program within Cal OES to authorize the state to provide matching funds from Proposition 4 (see more on this below) to small water systems for infrastructure improvements such as upgrading and upsizing waterlines; installing additional fire hydrants connected to water systems; enhancing water system delivery and distribution capacity; creating interconnections between water systems for the purpose of improving water delivery and distribution capacity; and, backup power generation. This bill also requires Cal OES to develop criteria and a scoring methodology to prioritize the distribution of state matching funds provided under the Program to rural communities.

Proposition 4: On November 5, 2024, California voters approved Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, which was a legislatively referred bond act (through SB 867, Allen, Chapter 83, Statutes of 2024). Proposition 4, which was approved by nearly 60% of the voters in that election, authorizes $10 billion in state general obligation bonds for various projects to reduce climate risks and impacts, including funding projects to safeguard drinking water, combat wildfires, protect natural lands, and improve resilience against floods and extreme heat. At least 40% of Proposition 4 funds will be spent to benefit communities considered the most vulnerable to climate change and environmental effects, prioritizing support for populations that might lack the resources to cope with those impacts. Proposition 4 allocated $3.8 billion for safe drinking water and water resilience ($1.9 billion to increase the amount and quality of water available for people to use); $1.95 billion for wildfire prevention and extreme heat mitigation; $1.9 billion for protection of natural lands, parks, and wildlife; $1.2 billion for protection of coastal lands, bays, and oceans; $850 million for clean energy; and, $300 million for agriculture.

This bill: This bill provides that the operation of the Program established by this bill is contingent upon the Legislature appropriating funding to Cal OES pursuant to Proposition 4 for purposes consistent with the Program.

Arguments in support: The California Water Association writes in support, "California's rural communities face significant wildfire threats, exacerbated by aging water infrastructure and

limited resources for fire suppression. AB 372 is a vital step in addressing these challenges by providing state matching funds for critical water system improvements in designated high and very high fire hazard severity zones. The program will support infrastructure upgrades such as upsizing waterlines, installing additional fire hydrants, enhancing water distribution capacity, and establishing interconnections between water systems to improve fire response efforts… By prioritizing funding for community water systems with 15,000 or fewer service connections and projects that align with wildfire risk mitigation plans, AB 372 ensures that resources are directed to the communities most in need. This targeted approach strengthens California's ability to protect lives, property, and natural resources from the devastating impacts of wildfires."

The Rural County Representatives of California (RCRC) writes in support, "Rural communities are at the forefront of many of the state's natural disasters and lack the resources of larger agencies for prevention and recovery efforts. One way to visualize the growing challenge is to look at the State's newest Fire Hazard Severity Zones as recommended by the State Fire Marshal, which highlights increased areas of "hazard" across the state, including many rural counties. These hazards are further enhanced by large and remote geographical areas, as well as limited responders and budgets. AB 372 would distribute state matching funds to communities within the Wildland Urban Interface in designated high fire hazard severity zones or very high fire hazard severity zones to improve water system infrastructure… If implemented properly, this strategy will enhance communities of the greatest need that have identified their challenges but may not yet have the resources to implement their plans. Furthermore, this program is well-aligned with the taxpayer intent behind Proposition 4 to bolster the state's efforts in fire prevention."

Arguments in opposition: None received.

Related legislation:

1) SB 746 (Alvarado-Gil). Would require the Department of Water Resources to establish the Urban Water Community Drought Relief program and the Small Community Drought Relief program to provide grants for interim or immediate drought relief. Would, upon a specified appropriation, authorize funding for benefits in addition to drought relief, including, among other projects, projects that reduce the risk of wildfire for entire neighborhoods and communities through water delivery system improvements for fire suppression purposes in high fire hazard severity zone communities or very high fire hazard severity zone communities, as designated by the State Fire Marshal or by a local agency. This bill is pending in the Senate Committee on Appropriations.

2) SB 1088 (Alvarado-Gil, 2024). Would have established the Rural Water Infrastructure for Community Wildfire Protection Program within Cal OES for the distribution of state matching funds to communities within the Wildland Urban Interface in designated high fire hazard severity zones or very high fire hazard severity zones to improve water system infrastructure, as prescribed. This bill, which was similar to AB 372, was held on the suspense file in the Assembly Committee on Appropriations.

3) SB 867 (Allen, Chapter 83, Statutes of 2024). Enacted the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, which authorized the issuance of bonds in the amount of $10 billion to finance projects for safe drinking water; drought, flood, and water resilience; wildfire and forest resilience; coastal resilience; extreme

heat mitigation, biodiversity and nature-based climate solutions; climate-smart, sustainable, and resilient farms, ranches, and working lands; park creation and outdoor access; and. clean air programs. This bill, as Proposition 4, was approved by the voters in the November 5, 2024, statewide general election.

4) SB 1014 (Dodd, 2024). Would have required the Deputy Director of Community Wildfire Preparedness and Mitigation to prepare a Wildfire Risk Mitigation Planning Framework, a Wildfire Risk Baseline and Forecast, and a Wildfire Mitigation Scenarios Report, as specified. This bill was held on the suspense file in the Assembly Committee on Appropriations.

5) SB 470 (Alvarado-Gil, 2024). Would have codified the Urban Water Community Drought Relief program and the Small Community Drought Relief program at the Department of Water Resources and would have authorized the program, upon appropriation, to fund projects that provide benefits in addition to drought relief, including projects that reduce the risk of wildfires for communities through water delivery system improvements for fire suppression purposes in high- and very high-fire hazard severity zones, as specified. This bill was vetoed by Governor Newsom.

Double referral: This bill was double referred to the Assembly Committees on Emergency Management, where it passed on a 7 – 0 vote on April 7, 2025, and Environmental Safety and Toxic Materials.

REGISTERED SUPPORT / OPPOSITION:

Support

Association of California Water Agencies
California Association of Environmental Health Administrators
California Water Association
El Dorado Irrigation District
League of California Cities
North Tahoe Public Utility District
Placer County Water Agency
Rural County Representatives of California
Sierra Business Council
South Tahoe Public Utility District
Tahoe City Public Utility District
Upper San Gabriel Valley Municipal Water District

Opposition

None on file.

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