

Subcommittee on Imported Water



Update on May Revision Proposed Trailer Bill Language: Delta Conveyance Project, Water Quality Control Plans

Item 3d

May 27, 2025

Item 3d Trailer Bill Language Update

Subject

Recent trailer bill language related to the Delta Conveyance Project and the water quality control plan process

Purpose

Provide an update on potential impact of the recent trailer bill language

Trailer Bill Language Update

Background

May 14 Governor's May Revise budget proposal includes trailer bill language to streamline administrative processes for DCP and provide a CEQA exemption for water quality control plans

Examples of Legal and Regulatory Delays

DWR Validation Action for DCP

Change in Point of Diversion Hearings

DCP Trailer Bill Language Update

Expedites the DCP Change in Point of Diversion (CPOD) Water Rights Proceeding

- Makes the SWP a perpetual project until deemed no longer necessary by DWR
- Properly limits CPOD scope to the DCP, not existing SWP water rights
- Clarifies requirements for protests and applications to the Water Board

DCP Trailer Bill Language Update

Clarifies DWR's existing authority to construct and issue revenue bonds to finance the DCP and repay SWP contractors from first bond issuance

- Revenue bonds are repaid by SWP contractors that opt to participate, not state tax revenues
- Bonds could be used to finance planning, design, preconstruction work, construction, operations and maintenance
- Should expedite judicial validation and subsequent bond issuance

DCP Trailer Bill Language Update

Judicial Streamlining

- Modeled after the authority provided through the Governor's Infrastructure Streamlining package and prior sports stadium bills
- Requires judicial review of legal challenges to DCP within 270 days, if feasible
- Limits construction-related injunctions to violations that pose an imminent threat to public health and safety
- Does not relieve DWR from compliance with environmental or other laws

DCP Trailer Bill Language Update

Allows DWR to enter into administrative settlements for land acquisition associated with project construction

- Allows DWR to offer more than the market valuation limits permitted under eminent domain proceedings
- Enables settlement through administrative proceeding, which can avoid costly and time-consuming litigation
- Entirely voluntary/does not authorize DWR to force property owners to settle or do so below fair market value

DCP Trailer Bill Language Update

Provides DWR full contracting authority for land acquisition

- Removes duplicative processes between the Department of General Services and DWR
- Clarifies DWR's authority to enter contracts for land acquisition related to SWP facilities

Allows DWR to issue advanced payments for utility work

- Electrical utilities often require advanced payment for work performed
- Advanced payments for known needs for electrical utility work would help expedite the project, leading to months of time savings

WQCP Trailer Bill Language Update

Exempts state and regional water board water quality control plan updates from CEQA

- Concern that compliance with CEQA delays timely updates and adoption of water quality control plans
- Concern that CEQA compliance is duplicative of other legal requirements for adopting WQCPs, and therefore unnecessarily burdensome and time consuming

Trailer Bill Language Update

Examples of Board Policies and Actions

Legislative Priorities and Principles:

- Priority 1: Continue support for imported water supply resiliency and reliability, including planning for the Delta Conveyance Project, Sites Reservoir Project, Agreements to Support Healthy Rivers and Landscapes (Voluntary Agreements), and the development of post-2026 Colorado River operating guidelines

Planning and Design Funding

- Board authorized funding for \$141.6 million for preconstruction work on the DCP

