

FISCAL EFFECT:

- 1) DFW anticipates the implementation of this bill will require four new positions and an estimated cost of \$450,000 in fiscal year 2022-23 and \$931,000 in 2023-24 and ongoing (General Fund). The Department expects an increase in workload because of the requirement in the bill for DFW to consult with each permittee or licensee who submits a petition for a short-term water transfer. The consultation process would include project site visits; evaluations of new and existing ecosystem, species and streamflow information; coordination with other state and federal agencies, the petitioner and other relevant entities; developing recommendations to mitigate potential harm to fish and wildlife resources; and other tasks.
- 2) Minor and absorbable costs to the State Water Board.

COMMENTS:

- 1) **Purpose.** The author points to the way in which climate change is affecting California's water supplies and the need to sustainably manage groundwater as reasons why water transfers will become increasingly common in the future. The author asserts that "efficient review and approval by the State Water Board are needed to ensure that water transfers can be successfully executed." The author argues that the current process for review of short-term water transfers is inefficient and can result in delay and that improvements are needed. The author maintains that "[this bill] will allow California to adapt to evolving drought conditions more effectively by modernizing and streamlining the water transfer petition process" and that it "improves communication between impacted agencies and individuals as well as increases accessibility of transfer petition information by the public."
- 2) **Background.** Water transfers involve the exchange between a water right holder with surplus water and a party that needs additional water. California law recognizes four types of water transfers that are each governed by a different set of rules: i) temporary urgency change (180 days or less); ii) permanent change; iii) temporary change (one year or less); and iv) long-term transfer (greater than one year). This bill addresses the third type, a temporary change or short-term water transfer. The current process for a short-term water transfer can pose an administrative burden on the State Water Board and divert staff resources away from other priorities if several petitions are filed within a short time frame. According to the author, this bill revises and streamlines the process for consideration and approval of a petition for a short-term water transfer by the State Water Board, modernizes the notification requirements for transfers, and improves communication between state permitting agencies and coordination between transferring parties.

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