Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 224 (Hurtado) – As Amended July 17, 2025

Policy Committee: Water, Parks and Wildlife Vote: 13 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the Department of Water Resources (DWR) to update its water supply forecasting model and procedures by January 1, 2027, and to annually present its operational decisions and rationale underlying those decisions at public meetings.

Specifically, this bill, among other things:

1) Requires DWR, by January 1, 2027, to update its water supply forecasting model and procedures to address the effects of climate change.

2) Requires DWR, by January 1, 2028, and annually thereafter until January 1, 2032, to submit to the Legislature and post on its website a report on its progress in implementing the new forecasting model.

3) Requires DWR to establish, and publish on its website, the specific criteria it will use to determine when the updated water supply forecasting model has demonstrated sufficient predictive capability to be ready for use in each of the watersheds.

4) Requires DWR, by January 1, 2027, to implement a formal policy and procedures for documenting its operational plans and rationale for its operating procedures, including the department's rationale for water releases from reservoirs.

5) Requires DWR, by January 1, 2028, and annually thereafter until January 1, 2032, to submit a report to the Legislature explaining the rationale for its operating procedures specific to the previous water year.

6) Requires DWR, beginning in 2027 and annually thereafter, to present the following information to specified entities at a minimum of two open and public meetings: (a) DWR's operational decisions and its rationale for the state's water supply during the previous water year and (b) the degree to which DWR succeeded in implementing the water supply forecasting model and procedures described above. Requires DWR to provide notice of the public meeting at least 60 days before the meeting is held, as specified, and to hold the public meetings in two of the specified locations on a rotating basis.

7) Requires DWR to include the information presented pursuant to 6, above, in an annual report posted on its website, and requires DWR to submit this report to the Legislature.

FISCAL EFFECT:

DWR will incur ongoing General Fund costs, likely in the low- to mid-hundreds of thousands of dollars annually, to update and implement its water supply forecasting models and procedures, develop the required reports, and host the required public meetings.

For its part, DWR estimates General Fund costs of approximately $939,000 annually for the first four years followed by costs of approximately $820,000 annually thereafter. Specifically, DWR anticipates it will need two staff ($720,000 total) and $100,000 in contracting and facilitation services annually to hold the public meetings, as well as $119,000 annually in staff costs to fulfill the reporting requirements.

COMMENTS:

1) **Purpose.** According to the author:

> [This bill] strengthens California's ability to manage its water resources efficiently, prevents unnecessary water loss, and enhances the state's resiliency to drought. Accurate water data modeling, planning, and accountability will ensure water stays a vital resource for California in the years ahead.

2) **Background.** One of DWR's many roles in water management is to collect information regarding precipitation and hydrologic conditions from across the state and to forecast water runoff from the state's major watersheds for the spring and summer months so water managers and water users may plan accordingly. One of the principal publications DWR uses for this purpose is Bulletin 120. DWR issues Bulletin 120 four times a year to summarize precipitation and snowpack conditions, reservoir storage, and runoff to date in various regions of the state. Bulletin 120 also forecasts water runoff from the state's major watersheds for the remainder of the year.

   DWR is also responsible for managing the State Water Project (SWP), which collects surface water from the northern part of the state and transports that water south through rivers, the Sacramento-San Joaquin Delta, and the California Aqueduct to 29 cities, counties, and water districts that have contracts with the SWP. DWR delivers a percentage of water to its contractors that varies with hydrologic conditions and forecasted runoff. The contractors request an amount of their contracted water on October 1 (the beginning of the "water year") and DWR issues an initial percentage allocation around the beginning of December indicating how much water DWR anticipates, based on hydrologic conditions, it will be able to deliver to contactors in the remainder of the year. DWR adjusts this initial allocation, typically three to four times over the winter and early spring as the total precipitation for the year becomes clearer.

   Water Year 2021. By all accounts, 2021 was an extraordinarily challenging hydrologic year. It is California's second driest year on record and experts at the Public Policy Institute of California dubbed it the year that "broke" the California water system. For its part, DWR published a report dubbing 2021 an "extreme" year and discussed how climate change had invalidated historical precedents and assumptions regarding hydrologic projections. Due to dry conditions and high temperatures, runoff from snowpack was significantly lower than DWR forecasted. Due to high temperatures and dry soil, the snowpack had effectively melted (or evaporated) by May, much earlier than expected. Governor Newsom proclaimed a

drought for Sonoma and Mendocino counties in April 2021, extended that emergency to the rest of Northern and Central California in May, and then to coastal California in July.

Audit Report. Due to DWR's errors in runoff forecasts in water year 2021, the California State Auditor conducted an audit of DWR's methodology used to forecast runoff and manage the SWP pursuant to a legislative request. The audit was completed in May 2023 and found problems with DWR's forecasting methodology and that DWR lacked documentation of its rationale for operational decisions. In its response to the audit, DWR acknowledges it made a forecasting error in 2021 yet disagrees with the audit's finding that DWR has been slow to incorporate climate change into its forecasting and operational decisions and lacks a comprehensive plan to respond to drought. DWR indicates it will implement other audit recommendations and notes that "the shift at DWR is well underway to move from a statistical, record-based forecasting model to water supply forecasts that simulate the physics of interactions among the atmosphere, water as rain or snow, and the land surface."

For a more detailed summary of the audit's recommendations, a summary of DWR's response to each finding, and a discussion of how, and if, this bill addresses each recommendation, please see the Assembly Water, Parks, and Wildlife Committee's analysis of this bill as well as DWR's direct response in the audit.

3) **Prior Legislation.** SB 231 (Hurtado), of 2023-2024 Legislative Session, was similar to this bill and, among other things, would have required DWR to establish a formal process for annually evaluating and improving the accuracy of its water supply forecasts, adopt a new water supply forecasting model, and inventory its existing drought mitigation response plans. SB 231 was held on this committee's suspense file.

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