Office of Senate Floor Analyses

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UNFINISHED BUSINESS

Bill No: SB 224 Author: Hurtado (D)

Amended: 9/2/25 in Assembly

Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 3/25/25

AYES: Limón, Seyarto, Allen, Grove, Hurtado, Laird, Stern

SENATE APPROPRIATIONS COMMITTEE: 4-0, 5/23/25

AYES: Caballero, Cabaldon, Grayson, Richardson NO VOTE RECORDED: Seyarto, Dahle, Wahab

SENATE FLOOR: 38-0, 6/4/25

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Weber Pierson, Wiener NO VOTE RECORDED: Reyes, Wahab

ASSEMBLY FLOOR: 65-1, 9/9/25 – Roll call not available.

SUBJECT: Department of Water Resources: water supply forecasting

SOURCE: Author

DIGEST: This bill requires the Department of Water Resources (DWR) to update its water supply forecasting models and procedures to address the effects of climate change, and to implement a formal policy and procedures for documenting its operational plans and rationale for its operating procedures.

Assembly Amendments of 9/2/25 remove the requirement for DWR to annually hold at least two public meetings to present information on its operational decisions and make other technical changes.

ANALYSIS:

Existing law establishes DWR with board jurisdiction over water management, including dam safety, drought response and mitigation, water education, flood preparedness, and water supply and storage. (Water Code (Wat. C.) §120 et seq.)

This bill:

- 1) Requires DWR, on or before January 1, 2027, to update its water supply forecasting models and procedures to address the effects of climate change.
 - a) Requires DWR to report to the Legislature on its progress in implementing the new forecasting model by January 1, 2028, and annually thereafter, and to post the report on its website.
 - b) Requires DWR to establish and publish on its website the specific criteria that 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.
- 2) Requires DWR, on or before January 1, 2027, to implement a formal policy and procedures for documenting DWR's operational plans and DWR's rationale for its operating procedure, including DWR's rationale for water releases from reservoirs.
 - a) Requires DWR, on or before January 1, 2028, and annually thereafter, to report to the Legislature explaining its rationale for its operating procedures specific to the previous water year.

Background

1) State Water Project. The California State Water Project (SWP) is a multipurpose water storage and delivery system managed by DWR. It extends more than 705 miles and is a collection of canals, pipelines, reservoirs, and hydrologic power facilities that deliver water to 27 million Californians, 750,000 acres of farmland, and businesses throughout the state.

In its management of the SWP, DWR ensures that "adequate water supplies are available under various hydrologic and legal conditions while maintaining operational flexibility" (water.ca.gov/Programs/State-Water-Project; last accessed March 8, 2025). According to its website, DWR "develops, plans and implements the operation of the SWP in coordination with environmental and

regulatory agencies to meet fish, water, and environmental requirements for the Feather River and Sacramento-San Joaquin Delta."

The SWP collects surface water from the northern part of the state in its largest reservoir, Lake Oroville, 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 SWP. These are known as "State Water Project Contractors". DWR delivers a percentage of water to its contractors depending on hydrologic conditions and forecasted runoff. The contractors request an amount of their contracted water on October 1st (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 contractors in the remainder of the water year. This initial allocation is typically adjusted three to four times over the winter and early spring as the total precipitation for the year becomes clearer.

- 2) State Auditor Report. At the direction of the Joint Legislative Audit Committee, the State Auditor conducted an audit of DWR's methodology used to forecast runoff and manage the SWP. Published in May 2023 and titled Department of Water Resources: Its Forecasts Do Not Adequately Account for Climate Change and Its Reasons for Some Reservoir Releases Are Unclear, the assessment concluded that:
 - DWR has not adequately ensured that its water supply forecasts account for the effects of climate change; and
 - DWR must do more to prepare for the impact of more severe droughts on the SWP's operations.

In a letter to the Governor and Legislature, the California State Auditor said that "DWR has not developed a comprehensive, long-term plan for the [SWP] that meets best practices for proactively mitigating or responding to drought [...] Further, DWR has not maintained sufficient documentation to demonstrate that some releases it made from Lake Oroville reservoir in water years 2021 and 2022 were appropriate in volume. ... Insufficient documentation also hinders DWR's ability to effectively evaluate and, to the extent necessary, improve its management of the [SWP] to ensure the most efficient use of the State's limited water supply."

In response, DWR respectfully disagreed with the Auditor's findings that DWR has been slow to account for the effects of climate change. DWR pointed to the establishment of a climate change program in 2008 and the release of

progressive phases of its Climate Action Plan in 2012, 2018, 2019, 2020, and 2022; the recognition by various Climate organizations for its leadership in addressing climate change; and various awards DWR has received for climate action.

See Senate Natural Resources and Water Committee analysis for additional background information.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Floor Analysis, the Assembly Appropriations Committee identified the following fiscal impact:

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

For its part, DWR estimates General Fund costs of approximately \$119,000 annually in staff costs to fulfill the reporting requirements."

SUPPORT: (Verified 9/5/25)

City of Coalinga Olivenhain Municipal Water District

OPPOSITION: (Verified 9/5/25)

Sierra Club

ARGUMENTS IN SUPPORT: According to the author, "SB 224 requires the DWR to update its policies and procedures to better combat the impacts of climate change. The bill also requires the DWR to document and address the rationale behind its water operating decisions. SB 224 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."

ARGUMENTS IN OPPOSITION: According to Sierra Club California, "climate modeling should be conducted by an outside, independent agency to ensure the data is accurate, unbiased, and there are not conflicts of interest."

Prepared by: Genevieve Wong / N.R. & W. / (916) 651-4116 9/9/25 14:09:26

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