

SENATE THIRD READING  
SB 72 (Caballero)  
As Amended April 10, 2025  
Majority vote

## **SUMMARY**

Revises and recasts requirements for the contents of the California Water Plan, requires the Department of Water Resources (DWR) to develop a long-term water supply planning target for 2050, and establishes an interim target to develop an additional nine million acre-feet (AF) of water by 2040.

### **Major Provisions**

- 1) Recasts the California Water Plan as a comprehensive, strategic plan for the sustainable management and stewardship of California's water resources and requires the plan to include long-term water supply targets and strategies to meet those targets.
- 2) Requires DWR to establish an advisory committee in consultation with the California Water Commission (CWC) to assist and provide input to DWR in updating the California Water Plan.
- 3) Adds representatives from the following groups to the advisory committee tasked with assisting DWR in updating the California Water Plan: tribes, labor representatives, and environmental justice interests.
- 4) Requires DWR to conduct a series of public workshops to allow for public input on updates to the California Water Plan. The location of workshops shall maximize geographic distribution to allow various interests and communities to provide input.
- 5) Requires each update of the California Water Plan to include the following components:
  - a) A discussion of environmental needs on a regional basis;
  - b) A discussion of urban sector water needs on a regional basis;
  - c) A discussion of agricultural water needs on a regional basis;
  - d) A summary of sources that could finance project types or actions identified in the plan; and
  - e) A discussion of the estimated costs, benefits, and impacts of any project type or action identified in the plan that could help achieve the plan's water supply targets.
- 6) Requires DWR to include an interim planning target for 2040 of nine million AF of additional water, water conservation, or water storage capacity in the 2028 update to the California Water Plan. Specifies this target may be achieved through a variety of strategies.
- 7) Requires DWR to update the interim planning target specified in no. 6, above, for 2050 as part of the 2033 update to the California Water Plan. Provides the target shall consider the identified and future needs for all beneficial uses of water. Requires subsequent updates to

the California Water Plan to include a range of water supply targets that consider future scenarios with a 50-year planning horizon.

- 8) Requires DWR to incorporate opportunities for demand management and current and future needs of disadvantaged communities into its preliminary draft of assumptions and other estimates upon which updates to the California Water Plan are to be based.

## COMMENTS

The California Water Plan is "the master plan which guides the orderly and coordinated control, protection, conservation, development, management and efficient utilization of the water resources of the state." As a part of updating the California Water Plan every five years, DWR is required to include a discussion of various strategies, including those relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers that may be used to meet future water needs of the state. Inclusion of a particular project or strategy does not constitute approval of or state financing for said project or strategy without further legislative action. As part of the update to the California Water Plan, DWR must also conduct a study to determine the amount of water needed to meet the state's future needs and to recommend programs, policies, and facilities to meet those needs.

According to DWR, the development of the California Water Plan dates back to the late 1800s. The first plan, which covered ideas for water distribution in the state, was put together in 1873. Subsequent reports were issued through the decades as DWR bulletins. The initial California Water Plan (known as Bulletin 3) was released in 1957 and was intended for "control, protection, conservation, distribution, and utilization of all the waters of California, to meet present and future needs for all beneficial uses and purposes in all areas of the state to the maximum feasible extent." Bulletin 3 and subsequent updates were mostly technical documents focused on water supply development. Over time, the plans were gradually expanded to reflect the growing conflicts over California's limited water resources. Since the 1998 update, the California Water Plan has moved from a technical document focused on water supply development to an evaluation of options for addressing significant water issues in California.

Major themes of the 2023 update to the California Water Plan are addressing climate urgency, strengthening watershed resilience, and equity. The 2023 update indicates that total "applied" water use (urban, irrigated agriculture, and environmental water) ranged from 64.2 million AF to 90.6 million AF between the years 2016 and 2020. To address the water challenges facing California, the 2023 update outlines seven objectives; 23 recommendations are embedded in these objectives and a total of 74 actions are embedded in the recommendations. The 2023 update incorporates the Governor's 2022 target to close the "evaporative gap" (see below).

In August 2022, Governor Newsom released this strategy to address a projected 10% decrease in water supply (six million AF to nine million AF of water) by 2040 due to climate change. To address this shortfall, the strategy sets various targets to generate new water supply, reduce demand, and develop additional water storage by 2040. Those targets are:

- 1) New supply: 2.4 million AF to be achieved through increased water recycling (1.8 million AF), desalination (84,000 AF), and stormwater capture (500,000 AF).
- 2) Demand reduction: 500,000 AF through increased water conservation.
- 3) Expanded water storage: four million AF of surface water and groundwater storage.

In total, the strategy identifies 2.9 million AF of "new" water and four million AF of increased storage capacity to "close the evaporative gap;" however, the Governor's strategy also includes an important caveat that "additional storage capacity does not equate to a similar volume of new water supply." The distinction between "new water" and expanded storage is important and one that this bill does not make. The expansion of water storage will be necessary to adapt to climate change, but it will only be filled when water is available given hydrologic conditions and must be consistent with existing water rights, water quality standards, and other regulations.

### **According to the Author**

"A reliable and sustainable water supply is critical to California's economy and to the quality of life for all Californians. While intermittent storms can give California a reprieve; prolonged droughts, aging infrastructure, more frequent and severe wildfires, population and economic growth, antiquated state policies and climate change impacts present unique challenges that threaten the survival of entire communities and sectors of the economy. Despite decades of work to improve California's water system, our infrastructure remains woefully inadequate to meet present and future needs. [This bill] would establish reasonable water supply targets to ensure the state adequately plans for water for all uses, including our urban areas, agriculture and the environment, by modernizing the California Water Plan for a 21st century climate. [This bill] would require that state agencies develop a plan to achieve set targets, in consultation with local water agencies, wastewater service providers and other stakeholders."

### **Arguments in Support**

The California Municipal Utilities Association (CMUA) is a co-sponsor of this bill and asserts that it is necessary to develop a water supply strategy that aligns with the challenges posed by climate change. CMUA maintains "Given the extreme climate impacts of the 21st century, an expanding economy, a growing population, the anticipated reductions from existing water resources, and the controls on the use of groundwater, California needs to align the state's water supply strategy and policies with a target that will result in an adequate and reliable water supply for all beneficial uses including the environment, agriculture, the economy, and all Californians. Recent research estimates a shortfall in California's future water supply between 4.6 and [nine] million [AF] annually by 2050 if the state takes no action." CMUA contends this bill "brings about the fundamental changes that are necessary to ensure a sustainable water future."

### **Arguments in Opposition**

The Mono Lake Committee opposes this bill arguing that it overemphasizes the development of new water supplies to meet California's needs. The Mono Lake Committee also points out that the interim target of nine million AF by 2040 in this bill "is significantly higher" than the 2040 target of approximately seven million AF that was set by the Governor in his 2022 California Water Supply Strategy and subsequently incorporated into the 2023 update to the California Water Plan. Further, the Mono Lake Committee objects to this bill's emphasis on water supply development and asserts that this focus will come at the expense of other strategies that address demand reduction, improved operations, and improved water quality, among others. They argue that this bill's focus is on "the most expensive options for developing a more reliable and resilient water system. We already have a water affordability problem in many parts of the state. Prioritizing these higher cost options will make the affordability problem just that much worse."

## **FISCAL COMMENTS**

According to the Assembly Appropriations Committee, this bill has the following fiscal impact:

- 1) DWR will incur significant costs to update the California Water Plan in accordance with the requirements of this bill. DWR reports it currently spends about \$4.5 million annually on developing and updating the California Water Plan, with \$3.4 million from the General Fund and \$1.1 million from the State Water Project. In addition to these direct expenditures, DWR estimates partner agencies expend about \$3.3 million in in-kind participation and data-sharing.

In addition to what it currently spends on work related to the California Water Plan, DWR anticipates this bill will result (in 2024 dollars) in new annual costs of approximately \$6.8 million for the first five years followed by costs of approximately \$3.4 million annually thereafter. Tasks include developing future supply targets in open processes and building a model to assess the ability for California's water system to meet those targets; expanding investigations and modeling of the state's ten hydrologic regions; assessing environmental, urban, and agricultural water needs; developing comprehensive libraries of local projects with estimated benefits; producing statewide adaptation strategies; coordinating with the CWC, the advisory committee, and other specified entities; and various other tasks.

- 2) Ongoing cost pressure of an unknown, but potentially significant, amount (General Fund, special fund, or bond funds) for the state to undertake projects and activities to meet the goals and implement the strategies identified in the California Water Plan to address the state's water needs and meet water supply targets.
- 3) Likely minor and absorbable costs for the State Water Board and CWC.

## VOTES

### SENATE FLOOR: 37-0-3

**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Weber Pierson, Wiener  
**ABS, ABST OR NV:** Hurtado, Reyes, Wahab

### ASM WATER, PARKS, AND WILDLIFE: 12-0-1

**YES:** Papan, Jeff Gonzalez, Alvarez, Ávila Farías, Bains, Bennett, Boerner, Caloza, Hart, Celeste Rodriguez, Rogers, Tangipa  
**ABS, ABST OR NV:** Macedo

### ASM APPROPRIATIONS: 15-0-0

**YES:** Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache, Ta, Tangipa

## UPDATED

VERSION: April 10, 2025

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