

AMENDED IN ASSEMBLY JUNE 13, 2024  
AMENDED IN ASSEMBLY APRIL 8, 2024  
AMENDED IN ASSEMBLY JUNE 29, 2023  
AMENDED IN SENATE MAY 23, 2023  
AMENDED IN SENATE APRIL 27, 2023  
AMENDED IN SENATE MARCH 22, 2023

**SENATE BILL**

**No. 366**

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**Introduced by Senator Caballero**  
**(Coauthors: Senators Ochoa Bogh, Roth, and Seyarto)**  
(Coauthors: Assembly Members Essayli and Blanca Rubio)

February 8, 2023

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An act to amend Section 10004.6 of, to repeal Sections 10004.5, 10005, and 10013 of, and to repeal and add Section 10004 of, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 366, as amended, Caballero. The California Water Plan: long-term supply targets.

Existing law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as "The California Water Plan." Existing law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative

pricing policies that may be pursued in order to meet the future needs of the state. Existing law requires the department to establish an advisory committee to assist the department in updating the plan.

This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply targets established by the bill for purposes of The California Water Plan. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all designated beneficial uses. The bill would require the plan to include specified components, including a discussion of various strategies that may be pursued in order to meet the water supply targets, a discussion of agricultural water needs, and an analysis of the costs and benefits of achieving the water supply targets. The bill would require the department to submit to the Legislature an annual report between updates to the plan that includes progress made toward meeting the water supply targets once established, as specified. The bill would also require the department to conduct public workshops to give interested parties an opportunity to comment on the plan and to post the preliminary draft of the plan on the department's internet website.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) To thrive as a state, California needs a reliable supply of
- 4 water for urban, agricultural, and environmental uses that is
- 5 resilient to climate change.
- 6 (b) California's existing water usage is highly reliant on
- 7 capturing the snow melt on an annual basis. That water is stored
- 8 in lakes, reservoirs, and groundwater basins and is then transported

1 around the state for environmental, residential, business, and  
2 agricultural use when needed.

3 (c) California has the most intricate and elaborate system of  
4 water conveyance in the world.

5 (d) Dependent on the extent of drought or flood conditions, the  
6 Department of Water Resources has calculated that the volume of  
7 water used by people in California for agricultural, urban, and  
8 environmental purposes ranges from 60,000,000 acre-feet per year  
9 to 90,000,000 acre-feet per year.

10 (e) Per capita water use has declined over time, thanks to a  
11 conservation ethic encouraged by water agencies and other  
12 stakeholders, water-saving indoor plumbing fixtures and  
13 appliances, better leak detection, and efforts to reduce outdoor  
14 water use.

15 (f) Water use also has significantly declined in the agricultural  
16 sector thanks to proactive steps taken by irrigation districts and  
17 farmers, such as installing drip irrigation systems.

18 (g) California is experiencing significant impacts of a changing  
19 climate on our water supply systems and environment, including  
20 fisheries and ecosystems.

21 (h) According to the Department of Water Resources, hotter  
22 and drier weather is estimated to diminish our existing water supply  
23 even further and likely by 10 percent.

24 (i) A 10-percent loss could mean the disappearance of about  
25 6,000,000 acre-feet to 9,000,000 acre-feet of water supply.

26 (j) Many rivers, lakes, and estuaries are being impacted by  
27 declining water quality, including increases in harmful algal  
28 blooms.

29 (k) The California central valley has a groundwater overdraft  
30 of 2,000,000 to 3,000,000 acre-feet of water.

31 (l) Following more than two decades of “megadrought” in the  
32 Colorado Basin, reservoir levels are so low that supply cuts are  
33 likely.

34 (m) California’s precipitation is changing from seasonal snow  
35 in the Sierra to periods of substantial rainfall, including from  
36 atmospheric rivers.

37 (n) The shift to drier dry years and wetter wet years makes it  
38 imperative that the state of California develop comprehensive wet  
39 year strategies that take full advantage of times of abundance,  
40 while also ensuring public safety from floods.

1 (o) California is the nation’s agricultural powerhouse, accounting  
2 for 12 percent of agricultural production in 2021, including more  
3 than 70 percent of the nation’s fruits and nuts.

4 (p) The agricultural sector produces annual revenues of more  
5 than \$50 billion, employs more than 420,000 people, and supports  
6 large food and beverage processing industries.

7 (q) The Department of Water Resources describes a statewide  
8 capacity in groundwater basins in the range of 1,000,000,000  
9 acre-feet or approximately 20 times the total surface water storage  
10 capacity statewide.

11 (r) California is the home to cutting-edge job-creating industries,  
12 such as those in Silicon Valley and southern California’s biotech  
13 industry.

14 (s) Local and regional water suppliers are at the forefront of  
15 implementing projects to build resiliency, but need additional  
16 support from the state and federal governments through funding  
17 and regulatory frameworks that are adapted for the new climate  
18 reality.

19 (t) It is essential for our economy, environment, and well-being  
20 that California increases the resilience of the state’s water supplies.

21 (u) The implementation of projects to increase the resilience of  
22 the state’s water supplies can also create good jobs for California  
23 workers.

24 (v) Governor Gavin Newsom released “California’s Water  
25 Supply Strategy: Adapting to a Hotter, Drier Future” in August  
26 2022 that began to outline strategies for increasing California’s  
27 water supply and streamlining approvals, but California must make  
28 a historic change in the state’s comprehensive water plan and how  
29 water is provided for environmental, residential, business, and  
30 agricultural uses.

31 (w) The Sacramento-San Joaquin Delta Reform Act of 2009  
32 establishes a state policy to meet California’s future water needs  
33 through the coequal goals for the Delta of increased water supply  
34 reliability and Sacramento-San Joaquin Delta ecosystem  
35 restoration.

36 (x) The State Water Resources Control Board and other  
37 authorities estimate that over one million Californians lack access  
38 to safe and affordable drinking water.

39 SEC. 2. Section 10004 of the Water Code is repealed.

40 SEC. 3. Section 10004 is added to the Water Code, to read:

1 10004. (a) The department shall develop a comprehensive  
2 plan for addressing the state’s water needs and meeting the  
3 long-term water supply targets established in Section 10004.6,  
4 which shall be known as “The California Water Plan.” The plan  
5 shall provide recommendations and strategies to ensure enough  
6 water supply for all designated beneficial uses, including, but not  
7 limited to, compliance with Division 35 (commencing with Section  
8 85000).

9 (b) The department shall coordinate with the California Water  
10 Commission, the board, other state and federal agencies as  
11 appropriate, and the stakeholder advisory committee outlined in  
12 subparagraph (A) of paragraph (3) of subdivision (f) to develop  
13 the plan.

14 (c) It is hereby declared that the people of the state have a  
15 primary interest in the orderly and coordinated control, protection,  
16 conservation, development, and utilization of the water resources  
17 of the state by all individuals and entities and that it is the policy  
18 of the state that The California Water Plan, with any necessary  
19 amendments, supplements, and additions to the plan, is accepted  
20 as the master plan that guides the orderly and coordinated control,  
21 protection, conservation, development, management, and efficient  
22 utilization of the water resources of the state.

23 (d) The department shall update The California Water Plan on  
24 or before December 31, 2028, and every five years thereafter. Each  
25 update of the plan shall include the following components:

26 (1) (A) A discussion of various strategies, including, but not  
27 limited to, those relating to the development of new water storage  
28 facilities, water conservation, groundwater recharge, water  
29 recycling, desalination, conjunctive use, conveyance, stormwater  
30 capture, water transfers, compliance with Division 35 (commencing  
31 with Section 85000), and demand management activities that may  
32 be pursued in order to meet the water supply targets developed by  
33 the department and the coequal goals for the Sacramento-San  
34 Joaquin Delta. The department shall also include a discussion of  
35 options to finance projects within the various strategies and the  
36 potential for alternative water pricing policies to change current  
37 and projected uses. The department shall include in the plan a  
38 discussion of the potential advantages and disadvantages of each  
39 strategy, how to maximize the strategy for long-term sustainability,  
40 how innovation and research can spur the implementation of each

1 strategy, and an identification of all federal and state permits,  
2 approvals, or entitlements that may be required in order to  
3 implement the various components of the strategy.

4 (B) In carrying out this chapter, a public water system, irrigation  
5 district, or wastewater service provider shall not be required to  
6 implement a specific strategy or project.

7 (2) A discussion of environmental needs, including requirements  
8 for instream flows, freshwater flows, and the needs of managed  
9 wetlands to help protect and restore instream designated beneficial  
10 uses and the communities and jobs that depend on a healthy  
11 environment. The department's discussion shall rely on the best  
12 available peer-reviewed scientific information. *regulatory instream  
13 flow requirements, nonregulated instream uses, and water needs  
14 by wetlands, preserves, refuges, and other managed and  
15 unmanaged natural resource lands.*

16 (3) A discussion of urban sector water needs, including  
17 maintaining tree health, residential and commercial landscapes,  
18 single-family and multifamily housing needs, community open  
19 green spaces, and a ~~world-class~~ *world-class* economy.

20 (4) A discussion of agricultural water needs, including  
21 maintaining a viable and sustainable food supply, restoring  
22 groundwater tables, agricultural water use efficiency, surface water  
23 reliability for irrigation purposes, and an assessment of  
24 communities that rely directly and indirectly on agricultural  
25 activities for their livelihood.

26 (5) An analysis of the costs and benefits of achieving the water  
27 supply targets developed by the department or established in  
28 statute, including a cost-benefit analysis of various strategies and  
29 projects necessary to meet those supply targets. The cost-benefit  
30 analysis shall take into account the water needs of the ~~economy,~~  
31 *economy and* disadvantaged communities, and *the water supplies  
32 required by regulation to protect* the environment. The department  
33 shall also consider and incorporate into the analysis, if appropriate,  
34 existing studies or planning documents that quantify the costs and  
35 impacts to the state if it has inadequate water supplies to meet  
36 sustainable demands for all sectors.

37 (6) A report on the development of regional and local water  
38 projects within each hydrologic region of the state to improve  
39 water supplies to meet municipal, agricultural, and environmental

1 water needs, meet the water supply targets, and minimize the need  
2 to import water from other hydrologic regions.

3 (e) The declaration set forth in subdivision (c) does not constitute  
4 approval for the construction of specific projects or routes for  
5 transfer of water, or for financial assistance, by the state without  
6 further legislative action, nor shall the declaration be construed as  
7 a prohibition of the development of the water resources of the state  
8 by any entity.

9 (f) (1) Notwithstanding Section 10231.5 of the Government  
10 Code, the department shall report the amendments, supplements,  
11 and additions included in the updates of The California Water  
12 Plan, together with a summary of the department's conclusions  
13 and recommendations, to the Legislature, in compliance with  
14 Section 9795 of the Government Code, in the session in which the  
15 updated plan is issued.

16 (2) The department shall submit to the Legislature an annual  
17 report between updates to the plan that includes progress made  
18 toward meeting the water supply targets once established. The  
19 Legislature may hold a hearing to review and accept public  
20 testimony on the report. The report shall include the list of  
21 recommended actions that require legislative intervention and  
22 those that can be implemented by the department or other state  
23 agencies. The written report shall be posted on the department's  
24 internet website.

25 (3) (A) The department, in consultation with the California  
26 Water Commission, shall establish a stakeholder advisory  
27 committee, comprised of representatives of agricultural and urban  
28 water suppliers, local government, business, production agriculture,  
29 and tribes, labor representatives from building and construction  
30 trades, representatives of environmental justice and environmental  
31 interests, and other interested parties, to provide substantive input  
32 to assist the department in updating The California Water Plan.  
33 The department shall consult with and consider recommendations  
34 from the advisory committee in carrying out this section. The  
35 department shall accept applications for the stakeholder advisory  
36 committee before each update and ensure a balanced representation  
37 of members. The department shall provide written notice of  
38 meetings of the advisory committee to any interested person or  
39 entity that requests the notice. The meetings shall be open to the  
40 public.

1 (B) The department shall seek out and consider all relevant  
2 information from retail and wholesale water agencies, agriculture,  
3 business, labor, tribes, environmental and environmental justice  
4 communities, and any other communities potentially impacted by  
5 the plan and from researchers and experts on climate science,  
6 climate science solutions, water storage, water conveyance, and  
7 environmental protection.

8 (C) The department may add members to the stakeholder  
9 advisory committee to carry out the purposes of Section 10004.7.  
10 Additional stakeholder advisory committee members may include  
11 those from environmental justice sectors, local water supply  
12 agencies, and researchers and experts on climate science, climate  
13 science solutions, water storage, water conveyance, and  
14 environmental protection.

15 (4) In preparing any update of The California Water Plan, the  
16 department shall conduct a series of public workshops to give  
17 interested parties an opportunity to comment on the plan. The  
18 department shall conduct a portion of these workshops in regions  
19 of the state that have been impacted the most by drought and other  
20 weather extremes, including, but not limited to, communities with  
21 minority populations, communities with low-income populations,  
22 or both.

23 (5) The department shall release a preliminary draft of The  
24 California Water Plan, as updated, upon request, to interested  
25 persons and entities throughout the state for their review and  
26 comments. The department shall provide these persons and entities  
27 an opportunity to present written or oral comments on the  
28 preliminary draft. The department also shall post the preliminary  
29 draft on the department's internet website. The department shall  
30 consider these comments in the preparation of the final publication  
31 of The California Water Plan, as updated.

32 (g) In carrying out this section, the department shall  
33 acknowledge state and federal requirements impacting the urban,  
34 agricultural, and environmental sectors at the time of the update.

35 (h) Nothing in The California Water Plan shall be construed as  
36 a regulatory requirement.

37 SEC. 4. Section 10004.5 of the Water Code is repealed.

38 SEC. 5. Section 10004.6 of the Water Code is amended to read:

39 10004.6. (a) As part of the 2028 update of The California  
40 Water Plan, the department shall conduct a study to determine the



1 amount of additional water needed to meet the state’s future water  
2 needs and to establish a long-term water supply target for 2050.  
3 The target shall ensure sufficient water for all designated beneficial  
4 uses, recognize the impacts of climate change on the state’s water  
5 resources, support a sustainable economy, agricultural sector, and  
6 environment, ~~and ensure safe drinking water for all Californians.~~  
7 *Californians, and reflect statewide, regional, and local planning*  
8 *efforts.* In establishing the long-term supply target, the department  
9 shall analyze current and future water trends, including identifying  
10 additional water necessary to sustain public trust resources. On or  
11 before December 31, 2027, the department shall release a  
12 preliminary draft of the assumptions and other estimates upon  
13 which the study will be based, to interested persons and entities  
14 throughout the state for their review and comments. The department  
15 shall provide these persons and entities an opportunity to present  
16 written or oral comments on the preliminary draft. The department  
17 shall consider these documents when adopting the final  
18 assumptions and estimates for the study. For the purpose of  
19 carrying out this subdivision, the department shall release, at a  
20 minimum, assumptions and other estimates relating to all of the  
21 following:

- 22 (1) Basin hydrology, including annual rainfall, estimated  
23 unimpaired streamflow, depletions, and consumptive uses.
- 24 (2) Groundwater supplies, including estimates of sustainable  
25 yield, supplies necessary to recover overdraft basins, and supplies  
26 lost due to pollution and other groundwater contaminants.
- 27 (3) Current and projected land use patterns, including the mix  
28 of residential, commercial, industrial, agricultural, and undeveloped  
29 lands.
- 30 (4) The supplies needed to meet environmental requirements at  
31 the time of the update, including regulatory instream flow  
32 ~~requirements, nonregulated instream uses, requirements~~ and water  
33 needs by wetlands, preserves, refuges, and other managed and  
34 unmanaged natural resource lands.
- 35 (5) Opportunities for demand management.
- 36 (6) Current and projected population.
- 37 (7) Current and projected water use for all of the following:
  - 38 (A) Interior uses in a single-family dwelling.
  - 39 (B) Exterior uses in a single-family dwelling.
  - 40 (C) All uses in a multifamily dwelling.

- 1 (D) Commercial uses.
- 2 (E) Industrial uses.
- 3 (F) Parks and open spaces.
- 4 (G) Agricultural water diversion and use.
- 5 (8) Evapotranspiration rates for major crop types, including
- 6 estimates of evaporative losses by irrigation practice and the extent
- 7 to which evaporation reduces transpiration.
- 8 (9) Current and projected adoption of urban and agricultural
- 9 conservation practices.
- 10 (10) Current and projected supplies of water provided by water
- 11 recycling and reuse.
- 12 (11) Current and projected water and infrastructure needs of
- 13 disadvantaged communities, as defined in Section 79505.5, served
- 14 by public water systems, state small water systems, and individual
- 15 domestic wells, including, but not limited to, access to safe and
- 16 affordable drinking water and sanitation, water quality, and water
- 17 supply. The department may incorporate by reference the State
- 18 Water Resources Control Board’s Drinking Water Needs
- 19 Assessment or other available relevant assessments or reports.
- 20 (12) Climate change impacts by region and resulting water
- 21 supply trends, including changes in timing and intensity of
- 22 snowmelt runoff.
- 23 (b) The department shall include a discussion of the potential
- 24 for alternative water pricing policies to change current and
- 25 projected water uses identified pursuant to paragraph (7) of
- 26 subdivision (a).
- 27 (c) As part of the 2028 update to the plan, the department shall
- 28 include a water supply planning interim target of 10,000,000
- 29 acre-feet of additional water by 2040 which, in addition to
- 30 traditional sources of supply, includes water that contributes to
- 31 that supply through conservation efforts, stormwater capture,
- 32 graywater, and recycled water.
- 33 (d) This section does not require or prohibit the department from
- 34 updating any data necessary to update The California Water Plan
- 35 pursuant to subdivision (d) of Section 10004.
- 36 SEC. 6. Section 10005 of the Water Code is repealed.
- 37 SEC. 7. Section 10013 of the Water Code is repealed.

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