

Date of Hearing: April 24, 2023

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE

Rebecca Bauer-Kahan, Chair

AB 754 (Papan) – As Amended March 9, 2023

SUBJECT: Water management planning: automatic conservation plan

SUMMARY: Requires urban water management plans (UWMP) and agricultural water management plans (AWMP) that identify a reservoir as a water supply source to include an automatic conservation plan that will be implemented when reservoir levels fall below specified targets. Specifically, **this bill:**

- 1) Requires an UWMP to include an automatic conservation plan that is implemented if the water supplier relies upon, or plans to rely upon, a reservoir for water supply and water levels at that reservoir fall below levels necessary to meet demands.
- 2) Requires an UWMP that identifies a reservoir as a water supply source to include a target storage curve, based on target carryover levels, sufficient to satisfy water users and ecological stream flow needs for at least five years. Requires the reservoir storage level to be calculated each month based on reservoir capacity, projected inflows, evaporation, water demands from all users, and streamflow requirements. The reservoir storage level shall be plotted against the target water supply storage curve.
- 3) Requires the automatic conservation plan in an UWMP to be implemented when the reservoir storage level falls below the target water supply storage curve. The automatic conservation plan shall include the following:
 - a) Six standard water shortage levels corresponding to 10%, 20%, 30%, 40%, 50%, and greater than 50% shortages below the target water supply curve;
 - b) Conservation response actions for each water shortage level that include locally appropriate water supply augmentation actions, water demand reduction actions, operational changes, and mandatory prohibitions against specific water use practices;
 - c) An estimate of how much each conservation action will close the gap between target reservoir storage levels and actual reservoir storage levels;
 - d) An estimate of how each conservation action will impact other water resources, including groundwater extraction;
 - e) Water demand reduction actions that apply to all customer classes and that may include ordinances, metering, conservation pricing, and public education;
 - f) Other demand management actions that have a significant impact on water use; and
 - g) Other demand management actions that have a significant impact on downstream water right holders.
- 4) Provides that when both an UWMP's automatic conservation plan and water shortage contingency plan are in effect, the more restrictive of the two plans shall govern.

- 5) Requires an AWMP to include an automatic conservation plan that is implemented if the water supplier relies upon, or plans to rely upon, on a reservoir for water supply and water levels at that reservoir fall below levels necessary to meet demands.
- 6) Requires an AWMP that identifies a reservoir as a water supply source to include a target storage curve, based on target carryover levels, sufficient to satisfy water users and ecological stream flow needs for at least five years. Requires the reservoir storage level to be calculated each month based on reservoir capacity, projected inflows, evaporation, water demands from all users, and streamflow requirements. The reservoir storage level shall be plotted against the target water supply storage curve.
- 7) Requires the automatic conservation plan in an AWMP to be implemented when the reservoir storage level falls below the target water supply storage curve. The automatic conservation plan shall include the following:
 - a) Six standard water shortage levels corresponding to 10%, 20%, 30%, 40%, 50%, and greater than 50% shortages below the target water supply curve;
 - b) Conservation response actions for each water shortage level that include locally appropriate water supply augmentation actions, water demand reduction actions, operational changes, and mandatory prohibitions against specific water use practices;
 - c) An estimate of how much each conservation action will close the gap between target reservoir storage levels and actual reservoir storage levels; and
 - d) An estimate of how each conservation action will impact other water resources, including groundwater extraction.
- 8) Provides that when both an AWMP's automatic conservation plan and a drought plan are in effect, the more restrictive of the two plans shall govern.

EXISTING LAW:

- 1) Defines "urban water supplier" as a publicly or privately owned water supplier that provides water for municipal purposes either directly or indirectly to more than 3,000 customers or in an amount greater than 3,000 acre-feet (AF) annually (Water Code § 10617).
- 2) Requires every urban water supplier to prepare and adopt an UWMP that projects water demand in their service area and identifies sufficient water supplies to meet existing and projected water demand over a 20-year planning horizon. UWMPs must be updated and submitted to Department of Water Resources (DWR) every five years and include specified information such as a description of the urban water supplier's service area, projected growth, water use by sector, and energy needed to provide water service (Water Code § 10620 *et seq.*).
- 3) Requires an urban water management plan to include a water shortage contingency plan that assesses water supply reliability, identifies six standard water shortage levels corresponding to 10%, 20%, 30%, 40%, 50%, and greater than 50% shortages, and identifies shortage response actions relative to each water shortage level (Water Code § 10632).

- 4) Defines “agricultural water supplier” as a publicly or privately owned water supplier that provides water to 10,000 or more irrigated acres, excluding recycled water. DWR is not included in this definition (Water Code § 10608.12).
- 5) Requires an agricultural water supplier to prepare and submit to DWR an AWMP every five years. An AWMP must include a description of the supplier’s service area, an annual water budget, the quality and quantity of the supplier’s water resources, and water management objectives to improve water system efficiency, among other provisions (Water Code § 10820 *et seq.*).
- 6) Requires an AWMP to include a drought plan that describes actions an agricultural water supplier takes for drought preparedness and to manage water supplies during periods of drought (Water Code § 10826.2).

FISCAL EFFECT: Unknown. This bill is keyed fiscal.

COMMENTS:

- 1) **Purpose of this bill.** According to the author, “currently, the state eagerly uses all available water immediately after wet years and does not conserve until crisis hits. We must start planning for severe droughts rather than scrambling to react when faced with water shortages. The worst time to plan for drought is during drought. To better handle California's water crisis, California must learn to adapt to these extreme weather fluctuations and conserve water from the wet years before drought. To deal with these issues, [this bill] simply requires agricultural and urban water suppliers to initiate demand-side conservation triggered by reservoir storage levels. These plans will change our management from reactive to proactive.”

The author points to the state’s experience of “climate whiplash” over the past decade with fluctuations from extreme drought, to extraordinarily wet periods, back to severe drought as evidence that this bill is necessary to foster better planning and preparation for inevitable drought.

- 2) **Proposed technical amendment.** This bill uses inconsistent terminology when referring to instream water needs. In the sections outlining the information needed to develop a target water supply storage curve, this bill refers to “ecological stream flow needs.” In the next subdivision that outlines information needed to calculate monthly reservoir storage levels, it refers to “streamflow requirements.” These terms should be consistent so as not to confuse what is being included in each calculation. “Streamflow requirements” would be a better choice as it implies regulatory requirements that must be met while “ecological stream flow needs” may or may not refer to any required flow. To address this inconsistency, the Committee may wish to ask the author to strike references to “ecological stream flow needs” and replace it with “streamflow requirements.” This change would need to be done in proposed Water Code § 10631(b)(5)(A)(i) and proposed Water Code § 10826(i)(1)(A) to make this clarification.
- 3) **Arguments in support.** This bill is sponsored by California Coastkeeper Alliance (Alliance) which asserts it is necessary so that both urban and agricultural water suppliers exercise greater foresight in planning for periods of drought and to ensure demand-side conservation actions are adopted once in drought. The Alliance points to examples of urban water

suppliers that draw down reservoir levels as a first response to drought rather than taking steps to reduce demand during such periods: “many plans, rather than incentivizing conservation to preserve water, simply draw-down storage levels, exacerbating supply issues for the next year.” The Alliance maintains that the drought plans within AWMPs “are focused on resiliency strategies to obtain and use the same amount of water every year, regardless of drought conditions.” The Alliance argues this bill will change this by requiring greater conservation and “make conservation a way of life and change our management from reactive to proactive.”

- 4) **Arguments in opposition.** The Association of California Water Agencies (ACWA) opposes this bill arguing that its provisions, though well-intended, are redundant and duplicative of existing requirements relative to UWMPs and AWMPs. “Much of what would be included in the required automatic conservation plan and the correlating conservation response actions would be duplicative of existing shortage response actions, communication protocols, and compliance and enforcement protocols outlined in a water providers’ UWMP and AWMP.” In addition, ACWA notes that many water suppliers rely on water from reservoirs that they themselves do not manage so that the requirements placed on water suppliers by this bill “would be based on reservoir actions that are out of their control.” ACWA asserts that existing requirements already provide a framework to improve drought preparedness and regional resilience.

REGISTERED SUPPORT / OPPOSITION:

Support

California Coastkeeper Alliance
Coachella Valley Waterkeeper
Humboldt Baykeeper
Inland Empire Waterkeeper
Los Angeles Waterkeeper
Monterey Waterkeeper
Orange County Coastkeeper
Russian Riverkeeper
San Diego Coastkeeper
Santa Barbara Channelkeeper
Sierra Club California
The Otter Project

Opposition

Association of California Water Agencies
California Municipal Utilities Association
Irvine Ranch Water District

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