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California Seeks To Curb Declining Water Supply With New Executive Actions

Governor Gavin Newsom announced a revamped [water strategy](#) on August 11, 2022, in response to updated projections that California could witness a 10% reduction in water supply by 2040 due to the accelerated impacts of climate change. As hotter, drier weather becomes the new normal, evidenced by the record-breaking drought of 2012-2016, closely followed by a similar pattern in winter 2020-2021, the administration seeks to double down on efforts to meet California's future water needs. Extended drought conditions, according to the strategy, "send a strong climate signal that [the state] must heed" and move faster to "match the pace of climate change."

In 2020, the Newsom administration issued its primary water management document—the [Water Resilience Portfolio](#)—outlining over 100 actions to prepare California's water systems for a warmer, more variable climate. The new 19-page water strategy builds upon commitments in the *Water Resilience Portfolio* but narrows the focus to four key sets of expedited actions intended to curb anticipated near-term water supply shortfalls.

Action 1: Develop New Water Supplies

The strategy calls for the development of new water supplies through investments in wastewater recycling and desalination technology. For wastewater recycling, the state sets a goal of reusing at least 800,000 acre-feet of water per year by 2030 and 1.8 million acre-feet of water per year by 2040. The state will assemble a strike team to expedite permitting and identify funding opportunities for water recycling facilities, with progress displayed on a public dashboard. In addition, the State Water Resources Control Board (State Water Board) commits to establishing direct potable water reuse regulations by December 2023. Currently, California's regulations require recycled water to be first routed through a reservoir or aquifer before it can be distributed as potable drinking water.

For desalination, the state seeks to expand brackish water desalination by 28,000 acre-feet per year by 2030 and 84,000 acre-feet per year by 2040, as well as strategically locate new seawater desalination facilities. By June 2023, the state will develop criteria for siting desalination facilities along the coast, and the State Water Board will consider amendments to its desalination policy to streamline permits for projects located in priority areas. By January 2024, the state will also identify brackish desalination projects with the potential to be operational by 2030 and evaluate impaired groundwater basins that may be suitable for brackish desalination.

Action 2: Expand Water Storage Capacity

The strategy calls for a combined 400 million acre-feet expansion of the state's above- and below-ground storage capacity to capture more rainfall from increasingly fast-moving storms. Central to this goal is increasing California's potential for groundwater recharge. The state commits to helping local jurisdictions activate more than 340 proposed groundwater recharge projects with the cumulative potential to expand recharge capacity by approximately 500,000 acre-feet per year. Concurrently, the state will streamline and prioritize permits for diversion and groundwater recharge and develop a "more consistent, economical, and equitable approach" to allocating water rights for groundwater recharge. An initial proposal for a new allocation system contemplates the state securing all reasonably available future flood flows in the Central Valley and allocating available water through an "orderly, holistic, equitable, and integrated approach."

In addition to groundwater recharge, the state seeks to expedite permitting for Proposition 1 (2014 Water Bond) storage projects, work with the federal government to consider expansion of the San Luis Reservoir, ensure recent budget funds to repair dams are timely administered, and create incentives to support local stormwater management.

Action 3: Reduce Demand

The strategy acknowledges that while Californians made significant progress reducing water use during the 2012-2016 drought, more needs to be done to continue to reduce demand. The strategy sets an overarching goal of reducing water demand in urban areas by at least 500,000 acre-feet per year by 2030. To advance this goal, the State Water Board commits to promulgating its new long-term water use efficiency standards (as required by a 2018 statute) by January 2024 and, in the meantime, developing short-term efficiency-based conservation targets for urban retail water suppliers based on their unique local characteristics.

With respect to stabilizing groundwater demand, the strategy reaffirms existing approaches. The state will continue to implement the Sustainable Groundwater Management Act (SGMA) and generally support: (1) local water management practices that include changes to cropping patterns, (2) conservation and water efficiency practices by agricultural producers, and (3) flexibility in local land use decisions to protect beneficial uses and users. The state also pledges to continue direct investment and technical assistance for drought relief for agriculture with an emphasis in socially disadvantaged and underserved populations.

Action 4: Improve Forecasting, Data, and Management

The state acknowledges the need to improve forecasting, data, and management information about water supply and usage to achieve its primary action goals. In the strategy, the state commits to invest resources to improve predictions for water supply planning and to install 430 new stream gages statewide. From a water management perspective, the Department of Water Resources seeks to advance the draft environmental impact report for the Delta Conveyance Project and, together with the State Water Board, to consider a joint "place of use" petition to allow more permanent flexibility in the locations in which water from federal and state water projects can be used.

According to the strategy, "water rights modernization and reform are critical to ensuring [the state] can efficiently and effectively adapt to a changing climate." To this end, the state commits to continue efforts to digitize and rebuild the state's water rights data management system and develop analytical tools for implementing the water rights priority system in 10–15 watersheds. The state will also consider regulations to allow for curtailment of water rights outside of drought emergency declarations and, more broadly, consider "regulations, legislation, and pursuing resources needed to streamline and modernize the water rights system, clarify senior water rights, and establish more equitable fees."

Anticipated Impact

Entities involved in water supply infrastructure and management should review the plan closely as the prioritized actions will likely receive attention in coming months. Actions related to expedited permitting and regulatory efforts, in particular, may directly affect on-the-ground project development timelines and funding availability.

In addition to the categorized actions above, the administration has committed to pursuing the following overarching efforts to accelerate project delivery:

- A more expeditious process for completing, reviewing, and finalizing California Environmental Quality Act reviews and Water Code proceedings for critical water infrastructure projects to build drought and flood resilience.
- A voluntary permitting process for water infrastructure projects administered by the Governor's Office of Planning and Research (OPR). State agencies would retain the authority to review, identify, and address environmental impacts, but OPR would expedite the collective permitting process. (This proposed process would not be an option for water projects already under environmental review. The administration would work with the legislature to determine eligibility criteria for this voluntary process.)

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