City of Santa Rosa

MEMORANDUM

Date:	May 2, 2017
To:	Council Members, Sean McGlynn, Gloria Hurtado, Teresa Stricker, Daisy Gomez
From:	Liz Licursi
Subject:	Support: AB 1654 (Rubio) Urban Water Management Planning and AB 968 (Rubio) Long Term Water Use Efficiency

Attached is the letter of support for AB 1654 (Rubio) Urban Water Management Planning and AB 968 (Rubio) Long Term Water Use Efficiency.

Due to the time constraints and a matter of urgency, the Mayor has signed this letter and it has been been sent to the appropriate Committee/Member. You are receiving a copy of the letter and bill, as per Council Policy 000-40.

City Manager's Office
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City of Santa Rosa

April 5, 2017

Delivered via email to: chinook.shin@asm.ca.gov

The Honorable Blanca Rubio
State Capitol, Room 5175
Sacramento, CA 95814

Re: AB 1654 (Rubio): Urban Water Management Planning
AB 968 (Rubio): Long Term Water Use Efficiency

Position: SUPPORT

Dear Assemblymember Rubio,

On behalf of the City of Santa Rosa I'm writing to express support for AB 1654 and AB 968 which would enhance existing Urban Water Management Plans, strengthen water suppliers' ability to plan and prepare for drought, and ensure a balanced approach to providing drought resilient water supplies and continued improvements in water use efficiency.

The City of Santa Rosa is an urban retail water supplier servicing approximately 175,000 residents in Sonoma County. Santa Rosa has a long-standing commitment to drought preparation and water use efficiency, recognizing the vital role that long-term drought preparation and continued improvement in water use efficiency provide in maintaining a resilient water supply. AB 1654 and AB 968 would enhance our ability to proactively respond to water shortages, continue to promote long term efficiency of water use and provide our customers with a resilient water supply.

The City is a member of the Sonoma Marin Saving Water Partnership ("Partnership"), which consists of the cities of Santa Rosa, Rohnert Park, Sonoma, Cotati, Petaluma, Town of Windsor, North Marin, Marin Municipal and Valley of the Moon Water Districts, Cal-American Water and the Sonoma County Water Agency. We fully support the comments made by the Partnership in their letter of support for both AB 1654 and AB 968.

AB 1654 would require urban retail water suppliers to report annually to the Department of Water Resources on the status of their water supplies and whether supplies will be adequate to meet projected customer demand. If a water supplier determines that their water supply is not adequate to meet demand, the water supplier

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would be required to implement the appropriate responses as described in their water shortage contingency analysis. Annual reporting of water supply and demand forecasts by each water supplier will also facilitate better understanding of regional hydrology and local water supply conditions.

Additionally, AB 1654 would prohibit a water supplier from being required to reduce its use or reliance on any water supply available to them beyond the steps specified in its water shortage contingency analysis; effectively protecting water suppliers' and their customers' investments in resilient water supply sources.

AB 968 would maintain and strengthen existing compliance methods established in SB x7-7 (2009) for water use targets that account for diversity of water supply conditions and uses across the state. Providing alternative target-setting approaches, customizable to unique local conditions, would provide water suppliers with alternative methods to reduce water use that would be equally effective and could be more cost-effective to implement.

Consistent with existing law, AB 968 would continue to exclude recycled water from calculations of water use targets and corresponding efficiency standards. Maintaining its exclusion is appropriate as recycling and reuse of water is already considered an efficient use of supplies. In addition, it will ensure incentives for the continued development of recycling and potable reuse projects, which are critical to a resilient and sustainable water supply future for California.

Both AB 1654 and AB 968 are extraordinary opportunities to enhance urban water management planning; strengthen water suppliers' ability to plan, prepare and respond to drought conditions based on local hydrology and water supplies; provide essential water supply data to increase understanding of local water supplies; and ensure a balanced approach to providing a resilient water supply and continual improvements in water use efficiency.

Thank you for your attention to and consideration of this important legislation. If you have any questions, please contact Jennifer Burke, Deputy Director of Water and Engineering Resources at (707) 543-3359 or jburke@srcity.org.

Sincerely,

CHRIS COURSEY
Mayor, City of Santa Rosa

cc: The Honorable Eduardo Garcia, Chair, Assembly Water, Parks, and Wildlife Committee
Honorable Members of the Assembly Water, Parks, and Wildlife Committee
The Honorable Assemblyman Mark Levine, 10th District
The Honorable Assemblyman Jim Wood, 2nd District

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AMENDED IN ASSEMBLY MARCH 28, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 1654

Introduced by Assembly Member ~~Cooper~~ *Rubio*

February 17, 2017

An act to amend ~~Section 10608 of~~ *Sections 10621, 10631, 10632, and 10635 of, to repeal Section 10631.7 of, to add Sections 10613.5 and 10658 to, and to add Part 2.56 (commencing with Section 10609) to Division 6 of,* the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1654, as amended, ~~Cooper~~ *Rubio*. Water ~~conservation.~~ *shortage: urban water management planning.*

(1) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.

This bill would require the update of a plan on or before July 1, in years ending in one and 6. The bill would require each urban retail water supplier to report annually by June 15 to the Department of Water Resources the status of its water supplies for that year and whether the supplies will be adequate to meet projected customer demand, as prescribed. The bill would require the urban retail water supplier to implement the appropriate responses as described in its water shortage contingency analysis if the urban retail water supplier reports that all available water supplies for the applicable water year will not be adequate to meet projected customer demand. The bill would require

the urban retail water supplier to continue to implement the mandatory demand reduction measures described in its water shortage contingency analysis until certain conditions have changed to the point that the urban retail water supplier finds that it is able to meet projected customer demand over the next 12 months without continued implementation of the measures. The bill would require an urban retail water supplier to file a certain report with the department by the 15th day of each month during a period that the urban retail water supplier is implementing mandatory demand reduction measures. The bill would require the department to establish an electronic portal through which an urban retail water supplier is required to provide these reports to the department and would require the department to provide the State Water Resources Control Board with access to the reports and data.

(2) The act requires an adopted plan to include certain components, including, among other things, an identification and quantification of the existing and planned sources of water available to the supplier over 5-year increments, a description of the reliability of the water supply and vulnerability to seasonal or climatic shortage for an average water year, single-dry water year, and multiple-dry water years, and quantification of distribution system water loss for each of the 5 years preceding the plan update.

This bill would add to the requirements of a plan a description of how an emergency supply has been established to increase water supply reliability during times of shortage and how the supply is in addition to the supplies that the agency draws upon during nonshortage times, if an emergency supply, as defined, is identified as an existing or planned source of water available to the urban retail water supplier. The bill would require a description of the reliability and vulnerability for 5 consecutive years consisting of a repeat of the 5 consecutive historic driest years experienced by the urban retail water supplier, except as provided, rather than multiple-dry water years. The bill would specify that distribution system water loss to be included in the plan is potable distribution system water loss.

(3) The act requires the department, in consultation with the California Urban Water Conservation Council, to convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The act requires the panel to report to the Legislature no later than January 1, 2010, and every 5 years thereafter, and requires the department to review the

report and include in the final report to the Legislature recommendations and comments. The act deems an urban water supplier that is a member of the council and in compliance with the provisions of a certain memorandum to be in compliance with certain requirements relating to including water demand management measures in a plan.

This bill would delete these provisions.

(4) The act requires that the plan provide an urban water shortage contingency analysis that includes certain elements, including an estimate of the minimum water supply available during each of the following 3 water years based on the driest 3-year historic sequence for the agency's water supply.

This bill would revise the elements included within an analysis.

(5) The California Constitution declares the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare. Existing law requires the department and the board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state.

This bill would prohibit an urban water supplier, during a statewide drought, local drought, or water shortage, from being required to reduce its use or reliance on any water supply available for its use and identified in its plan or from being required to take additional actions beyond those specified in its water shortage contingency analysis for the level of water shortage, as specified.

~~Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires agricultural water suppliers to prepare and adopt agricultural water management plans with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before December 31 every 5 years thereafter. Existing law sets forth various findings and declarations related to water conservation.~~

~~This bill would make a nonsubstantive change in those findings and declarations.~~

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

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

SECTION 1. Part 2.56 (commencing with Section 10609) is added to Division 6 of the Water Code, to read:

PART 2.56. URBAN WATER MANAGEMENT DEMAND REDUCTION MEASURES

10609. The following definitions govern the construction of this part:

(a) "Water shortage contingency analysis" means the component of an urban water management plan described in Section 10632.

(b) "Urban retail water supplier" has the meaning provided in Section 10608.12.

(c) "Urban water supplier" has the meaning provided in Section 10617.

(d) "Urban wholesale water supplier" has the meaning provided in Section 10608.12.

10609.5 (a) In addition to and separate from the urban water management plans required pursuant to Part 2.6 (commencing with Section 10610), by June 15 of each year an urban retail water supplier shall report to the department the status of its water supplies for that year and whether the supplies will be adequate to meet projected customer demand.

(b) (1) If an urban retail water supplier reports pursuant to subdivision (a) that all available water supplies for the applicable water year will not be adequate to meet projected customer demand, the urban retail water supplier shall implement the appropriate responses as described in its water shortage contingency analysis. If demand is projected to exceed all available supply sources and mandatory water demand reduction measures are required, the annual report shall describe the water supply shortage stage and the measures that the supplier will take to reduce water demand consistent with its water shortage contingency analysis.

(2) If an urban retail water supplier determines that it cannot meet demands with all available water suppliers and is required to implement mandatory water demand reduction measures as described in its water shortage contingency analysis pursuant to

paragraph (1), the urban retail water supplier shall do both of the following:

(A) Continue to implement the mandatory demand reduction measures as described in its water shortage contingency analysis until hydrologic, water supply, or other conditions have changed to the point that the supplier finds that it will be able to meet projected customer demand over the next 12 months without continued implementation of the mandatory demand reduction measures.

(B) During the period that the urban retail water supplier is implementing the mandatory demand reductions measures described in its water shortage contingency analysis, the supplier shall file a report with the department by the 15th day of each month that describes how the supplier is implementing the measures.

(3) If an urban retail water supplier reports pursuant to subdivision (a) that supplies are adequate to meet projected customer demand, the urban retail water supplier, at its sole discretion, may declare any stage of its water shortage contingency analysis to balance supply and demand through the augmentation of supplies or to encourage water demand reduction as a precautionary measure. If an urban retail water supplier declares a stage of its water shortage contingency analysis pursuant to this paragraph, the urban retail water supplier shall not have an additional obligation to report to the department on the implementation of its plan.

(c) Multiple urban retail water suppliers within the same hydrologic region may file a joint report with the department if those urban retail water suppliers' water supplies are interrelated and if each urban retail water supplier determines that a joint report most accurately reflects the condition of their respective water supplies. Regardless of whether a joint report is submitted, an urban retail water supplier may submit an individual report to the department.

(d) An urban wholesale water supplier shall provide its retail agencies with information on the status of the urban wholesale water supplier's water supplies annually so that an urban retail water supplier reliant on the wholesale supply has sufficient data to comply with subdivision (a). An urban retail water supplier shall provide an urban wholesale water supplier with information

regarding its estimated annual demand for water from each wholesaler annually. An urban retail water supplier and its urban wholesale water suppliers shall meet and determine the process and dates by which they will comply with the requirements of this subdivision.

(e) An urban water supplier shall not be required to comply with any requirement in Part 2.6 (commencing with Section 10610) for any action taken or report made pursuant to this section. An action taken or report made pursuant to this section shall not be considered part of, amendments to, or changes to, an urban water management plan.

(f) The department shall establish an electronic portal through which suppliers shall provide the reports required by this section. The department shall provide the board with access to the reports and data submitted through the portal.

SEC. 2. Section 10613.5 is added to the Water Code, to read:

10613.5. "Emergency supply" means a water supply identified in the urban water management plan of an urban water supplier that has been developed to increase an urban water supplier's water supply reliability during times of shortage, including, but not limited to, unplanned service disruptions, and is in addition to the water supplies that the agency draws upon during nonshortage times to meet water demands within its service area.

SEC. 3. Section 10621 of the Water Code is amended to read:

10621. (a) Each urban water supplier shall update its plan at least once every five years on or before ~~December 31,~~ *July 1,* in years ending in ~~five and zero, except as provided in subdivisions (d) and (e).~~ *one and six.*

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

~~(d) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.~~

~~(e) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.~~

SEC. 4. Section 10631 of the Water Code is amended to read:

10631. A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). ~~If~~

(1) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

~~(1)~~

(A) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

~~(2)~~

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

~~(3)~~

(C) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

~~(4)~~

(D) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(2) If an emergency supply is identified as an existing or planned source of water available to the supplier, the supplier shall describe how the supply has been established to increase water supply reliability during times of shortage and how the supply is in addition to the supplies that the agency draws upon during nonshortage times to meet water demands within its service area.

(c) (1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(A) An average water year.

(B) A single-dry water year.

~~(C) Multiple-dry water years.~~

(C) Five consecutive dry years consisting of a repeat of the five consecutive historic driest years that the urban water supplier has experienced, unless the urban water supplier finds that a shorter multiple-year dry period would more severely impact its water supplies, in which case the urban water supplier shall use that shorter period.

(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses

among water use sectors, including, but not necessarily limited to, all of the following uses:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(J) ~~Distribution~~ *Potable distribution* system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3) (A) ~~For the 2015 urban water management plan update, the distribution system water loss shall be quantified for the most recent 12-month period available. For all subsequent updates, the~~ *The potable* distribution system water loss shall be quantified for each of the five years preceding the plan update.

(B) The *potable* distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(4) (A) If available and applicable to an urban water supplier, water use projections may display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and

land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) (A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage *potable* distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

(2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

(g) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an

estimate with regard to the implementation timeline for each project or program.

(h) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

~~(i) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivision (f) by complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, and by submitting the annual reports required by Section 6.2 of that memorandum.~~

~~(j)~~

(i) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

SEC. 5. Section 10631.7 of the Water Code is repealed.

~~10631.7. The department, in consultation with the California Urban Water Conservation Council, shall convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The panel shall consist of no more than seven members, who shall be selected by the department to reflect a balanced representation of experts. The panel shall have at least one, but no more than two, representatives from each of the following: retail water suppliers, environmental organizations, the business community, wholesale water suppliers, and academia. The panel shall be convened by January 1, 2009,~~

~~and shall report to the Legislature no later than January 1, 2010, and every five years thereafter. The department shall review the panel report and include in the final report to the Legislature the department's recommendations and comments regarding the panel process and the panel's recommendations.~~

SEC. 6. Section 10632 of the Water Code is amended to read:

10632. ~~(a)~~ The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:

~~(1) Stages~~

(a) Anticipated stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that ~~are applicable to~~ *would trigger* each stage.

~~(2) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.~~

(b) Communications strategies to inform customers, state agencies, elected officials, and others whenever water supply shortage conditions require the implementation of the stages of action described in subdivision (a).

~~(3) Actions~~

(c) Anticipated actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

~~(4) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.~~

~~(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.~~

~~(6) Penalties or charges for excessive use, where applicable.~~

(d) Additional anticipated mandatory prohibitions against specific water use practices during water shortages.

(e) Anticipated actions to balance water supply and demand for each water supply shortage stage, including the use of emergency supplies, demand reduction methods, reoperation, or any combination of these actions. Each urban water supplier may use any type of consumption reduction, reoperation approach, or supply augmentation methods in its water shortage contingency analysis that would balance supply and demand, are appropriate for its area, and have the ability to successfully respond to each water supply shortage stage. If an urban water supplier has established an emergency supply, the supplier shall include in the description of actions to be taken when the emergency supply will be used to balance water supply and demand, and the quantity of water from the emergency supply that is planned to be used. An emergency supply designated for use during a water supply shortage shall be fully available for use by the supplier during a shortage and its use shall be at the sole discretion of the urban water supplier.

(f) Anticipated processes for monitoring and ensuring compliance by customers with mandatory prohibitions against specific water use practices and mechanisms to enforce compliance. The analysis shall include a description of the urban water supplier's established method to identify and discourage excessive water use as required by Sections 366 and 367.

~~(7)~~

(g) An analysis of the impacts of each of the actions and conditions described in ~~paragraphs (1) to (6),~~ *subdivisions (a) to (f),* inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

~~(8) A draft water shortage contingency resolution or ordinance.~~

(h) A description of the water supplier's source of authority for implementing the water shortage actions, as identified in subdivision (e), including any adopted resolutions or ordinances.

~~(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.~~

~~(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and~~

~~fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.~~

SEC. 7. Section 10635 of the Water Code is amended to read:

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, ~~and multiple dry water years.~~ *and, in accordance with subparagraph (C) of paragraph (1) of subdivision (c) of Section 10631, five consecutive dry years or a shorter multiple-year dry period.* The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(c) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(d) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

SEC. 8. Section 10658 is added to the Water Code, to read:

10658. (a) It is the intent of the Legislature in enacting this section to do all of the following:

(1) Encourage continued investment in water supply reliability and diversification.

(2) Incentivize new and protect existing local investments made by urban water suppliers in drought resiliency and drought resilient supplies in order to better prepare local communities and the state for drought and times of shortage.

(3) Incentivize new and protect existing local investments in water recycling and potable reuse.

(4) Encourage local agencies to develop emergency supplies, including storage of flood flows in water banks throughout the state, to better protect California from the effects of drought.

(5) Encourage local agencies to take steps to prepare for the effects of climate change.

(6) Ensure that urban water suppliers have adequate supplies or take appropriate measures to reduce demand during times of drought.

(b) During a statewide drought, local drought, or water shortage, an urban water supplier shall not be required to reduce its use or reliance on any water supply available for its use and identified in its urban water management plan, or be required to take additional actions beyond those specified in its water shortage contingency analysis for the level of shortage that is anticipated in the annual report required by Section 10609 or the level of shortage that it is currently experiencing, whichever is greater.

~~SECTION 1. Section 10608 of the Water Code is amended to read:~~

~~10608. The Legislature finds and declares all of the following:~~

~~(a) Water is a public resource that the California Constitution protects against waste and unreasonable use.~~

~~(b) A growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.~~

~~(c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.~~

~~(d) Reduced water use through conservation provides significant energy and environmental benefits, and can help protect water quality, improve streamflows, and reduce greenhouse gas emissions.~~

~~(e) The success of state and local water conservation programs to increase efficiency of water use is best determined on the basis of measurable outcomes related to water use or efficiency.~~

~~(f) Improvements in technology and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.~~

~~(g) The Governor has called for a 20 percent per capita reduction in urban water use statewide by 2020.~~

~~(h) The factors used to formulate water use efficiency targets can vary significantly from location to location based on factors including weather, patterns of urban and suburban development, and past efforts to enhance water use efficiency.~~

~~(i) Per capita water use is a valid measure of a water provider's efforts to reduce urban water use within its service area. However, per capita water use is less useful for measuring relative water use efficiency between different water providers. Differences in weather, historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.~~

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AMENDED IN ASSEMBLY MARCH 28, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL No. 968

Introduced by Assembly Member Rubio

February 16, 2017

An act to amend Section ~~10610 of~~ *10608 of, and to add and repeal Section 10608.45 of,* the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 968, as amended, Rubio. Urban ~~water management planning.~~ *retail water use: water efficiency targets.*

Existing law requires the state to achieve a 20% reduction in urban per capita water use on or before December 31, 2020, and to make incremental progress toward that state target by reducing urban per capita water use by at least 10% on or before December 31, 2015.

This bill would require the Department of Water Resources to submit to the Legislature by December 31, 2018, a report that states preliminary water efficiency targets for 2025 for each of the state's hydrologic regions with per capita daily water use targets based on and considering specified factors. The bill would require the department to consult with a representative task force with members designated by the department by July 1, 2018.

~~Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.~~

~~This bill would make nonsubstantive changes in these provisions.~~

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

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

SECTION 1. Section 10608 of the Water Code is amended to read:

10608. The Legislature finds and declares all of the following:

(a) Water is a public resource that the California Constitution protects against waste and unreasonable use.

(b) Growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.

(c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.

(d) Reduced water use through *long-term water use efficiency and* conservation provides significant energy and environmental benefits, and can help protect water quality, improve streamflows, and reduce greenhouse gas emissions.

(e) The success of state and local water ~~conservation~~ *use efficiency* programs to increase efficiency of water use is best determined on the basis of measurable outcomes related to water use or efficiency.

(f) Strengthening local and regional drought resilience is essential to increasing water supply reliability and the sustainable management of the state's water resources.

~~(f)~~

(g) Improvements in ~~technology~~ *technology, infrastructure,* and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.

~~(g)~~

(h) The Governor has called for ~~a 20 percent per capita reduction in urban water use statewide by 2020.~~ *implementation of the comprehensive California Water Action Plan.*

~~(h)~~

(i) The factors used to formulate *long-term* water use efficiency targets can vary significantly from location to location based on

factors including weather, patterns of urban and suburban development, *water supplies,* and past efforts to enhance water use efficiency. *Therefore, it is necessary to implement water use efficiency measures at the regional and local level to reflect and best meet the water supply needs of each community and achieve effective water shortage contingency planning and management.*

~~(i)~~

(j) Per capita water use is ~~a valid~~ *one* measure of a water provider's efforts to reduce urban water use within its service area. However, per capita water use is less useful for measuring relative water use efficiency between different water providers. Differences in weather, historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.

SEC. 2. Section 10608.45 is added to the Water Code, to read:

10608.45. (a) By December 31, 2018, the department shall submit to the Legislature a report that states preliminary water efficiency targets for 2025 for each of the state's hydrologic regions. The report shall include per capita daily water use targets based on, and the department shall explain in the report how it considered, factors that include, but are not limited to, all of the following:

(1) A uniform statewide standard for per capita indoor water use, based on current conditions affecting indoor water use.

(2) Outdoor water use standards that reflect the variable climates, land use densities, and age of building stock within urban retail water suppliers' service areas in each hydrologic region.

(3) The amount of reductions in water use in each hydrologic region that can be expected as a result of a normal rate of improvement in plumbing facilities and the development of new residential, commercial, and other structures that reflect state-of-the-art water efficiency methods and facilities.

(4) The regional target determination methodology used in the state's 20x2020 Water Conservation Plan (dated February 2010).

(b) In developing the report pursuant to subdivision (a), the department shall consult with a representative task force consisting of academic experts, urban retail water suppliers representing each of the state's hydrologic regions, economic development interests, business community representatives, environmental

organizations, commercial water users, industrial water users, and institutional water users. The department shall designate the task force's members by July 1, 2018.

(c) (1) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2023.

~~SECTION 1. Section 10610 of the Water Code is amended to read:~~

~~10610. This part shall be known and may be cited as the Urban Water Management Planning Act.~~

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