

AMENDED IN ASSEMBLY JUNE 13, 2024

AMENDED IN SENATE APRIL 24, 2024

AMENDED IN SENATE MARCH 19, 2024

SENATE BILL

No. 1330

**Introduced by Senator Archuleta
(Coauthors: Senators Alvarado-Gil and Newman)**

February 16, 2024

An act to amend Sections 1846.5, 10609.20, 10609.22, 10609.24, 10609.26, 10609.30, 10609.32, and ~~10609.33~~ of 10609.33 of, to add Section 10609.7 to, and to repeal Sections 10608.36 and 10608.40 of, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1330, as amended, Archuleta. Urban retail water supplier: water use.

Existing law, the Urban Water Management Planning Act, requires every urban water supplier to prepare and adopt an urban water management plan, as specified. Existing law requires an urban wholesale water supplier to include in the urban water management plans an assessment of their present and proposed future measures, programs, and policies to help achieve water use reductions. Existing law requires urban water retail suppliers to report to the department on their progress in meeting their urban water use targets as part of their urban water management plans.

This bill would repeal the above-described requirements relating to urban wholesale water suppliers and urban water retail suppliers under an urban water management plan.

Existing law requires an urban retail water supplier to calculate its urban water use objective no later than January 1, 2024, and by January 1 every year thereafter. ~~year thereafter, and to be composed of the sum of specified data, including aggregate residential water use.~~ Existing law requires each urban retail water supplier's water use objective to be composed of the sum of specified aggregate estimates, including efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with water used by commercial water users, industrial water users, institutional water users, and large landscape water users (CII). Existing law requires an urban retail water supplier to submit reports to the Department of Water Resources, as provided, by the same dates.

This bill would require the department to, no later than January 1, 2035, conduct necessary studies and investigations regarding the efficiency performance of newly constructed residential landscapes and landscape areas with dedicated irrigation meters in connection with CII water use, as specified. The bill would require the department, if appropriate, to recommend to the State Water Resources Control Board for adoption a revised standard for existing residential landscapes and landscape areas with dedicated irrigation meters in connection with CII water use regarding an ongoing performance standard for those water uses.

~~This bill would require the department to collect and update data for outdoor residential landscapes and CII landscapes at least once every 10 years update methodologies and criteria for calculating residential and CII landscape areas and to determine landscape area measurements within each urban retail water supplier's service area by January 1, 2028, and once every 5 years thereafter, as specified, and post the data on its internet website. The bill would authorize an urban retail water supplier to submit reports by January 1 or July 1 whether reporting is submitted on a calendar year or fiscal year basis. The bill would specify that an urban retail water supplier, in its calculations of its urban water use objectives, shall include aggregate indoor and outdoor residential water use.~~ The bill would require, as part of the report to be submitted in 2026, each urban retail water supplier to provide a narrative that describes the water demand management measures that the supplier plans to implement to achieve its urban water use objective by January 1, 2030.

Existing law authorizes the ~~State Water Resources Control Board, board,~~ on or after January 1, 2024, to issue informational orders

pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective. Existing law authorizes the board, on and after January 1, 2025, to issue a written notice to an urban retail water supplier that does not meet its urban water use objective. Existing law authorizes the board, on and after January 1, 2026, to issue a conservation order to an urban retail water supplier that does not meet its urban water use objective.

This bill would instead extend the time by which the board is authorized to issue informational orders to on or after January 1, 2026, issue a written notice to on or after January 1, 2027, and issue a conservation order to on or after January 1, 2028.

Existing law requires the department, in coordination with the board, to submit a report to the Legislature on the progress of urban retail water suppliers towards achieving their urban water use objective on or before January 1, 2028.

The bill would instead require the report to be submitted to the Legislature on or before January 1, 2030.

Existing law provides that it is the intent of the Legislature that the chairperson of the board and the director of the department appear before the appropriate policy committees of both houses of the Legislature on or around January 1, 2026, and report on the implementation of the water use efficiency standards and water use reporting.

This bill would extend this date to not later than July 1, 2031.

Existing law provides that an urban retail water supplier who violates certain regulations after November 1, 2027, may be liable for specified penalties, as provided.

This bill would instead provide that urban retail water suppliers may be liable for specified penalties for violating those regulations after November 1, 2029.

Existing law, the Administrative Procedure Act, sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies.

This bill would require the board to enact emergency regulation, as specified, in accordance with the provisions of the act.

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. Section 1846.5 of the Water Code is amended to
2 read:

3 1846.5. (a) An urban retail water supplier who commits any
4 of the violations identified in subdivision (b) may be liable in an
5 amount not to exceed the following, as applicable:

6 (1) If the violation occurs in a critically dry year immediately
7 preceded by two or more consecutive below normal, dry, or
8 critically dry years or during a period for which the Governor has
9 issued a proclamation of a state of emergency under the California
10 Emergency Services Act (Chapter 7 (commencing with Section
11 8550) of Division 1 of Title 2 of the Government Code) based on
12 drought conditions, ten thousand dollars (\$10,000) for each day
13 in which the violation occurs.

14 (2) For all violations other than those described in paragraph
15 (1), one thousand dollars (\$1,000) for each day in which the
16 violation occurs.

17 (b) Liability pursuant to this section may be imposed for any
18 of the following violations:

19 (1) Violation of an order issued under Chapter 9 (commencing
20 with Section 10609) of Part 2.55 of Division 6.

21 (2) Violation of a regulation issued under Chapter 9
22 (commencing with Section 10609) of Part 2.55 of Division 6, if
23 the violation occurs after November 1, 2029.

24 (c) Civil liability may be imposed by the superior court. The
25 Attorney General, upon the request of the board, shall petition the
26 superior court to impose, assess, and recover those sums.

27 (d) Civil liability may be imposed administratively by the board
28 pursuant to Section 1055.

29 *SEC. 2. Section 10608.36 of the Water Code is repealed.*

30 ~~10608.36. Urban wholesale water suppliers shall include in~~
31 ~~the urban water management plans required pursuant to Part 2.6~~
32 ~~(commencing with Section 10610) an assessment of their present~~
33 ~~and proposed future measures, programs, and policies to help~~
34 ~~achieve the water use reductions required by this part.~~

35 *SEC. 3. Section 10608.40 of the Water Code is repealed.*

36 ~~10608.40. Urban water retail suppliers shall report to the~~
37 ~~department on their progress in meeting their urban water use~~
38 ~~targets as part of their urban water management plans submitted~~

1 ~~pursuant to Section 10631. The data shall be reported using a~~
2 ~~standardized form developed pursuant to Section 10608.52.~~

3 *SEC. 4. Section 10609.7 is added to the Water Code, to read:*

4 *10609.7. (a) The department shall, no later than January 1,*
5 *2035, conduct necessary studies and investigations regarding the*
6 *efficiency performance of newly constructed residential landscapes*
7 *and landscape areas with dedicated irrigation meters in connection*
8 *with CII water use to determine whether these landscapes use the*
9 *same amount of water for which they were designed, and if they*
10 *use more water, an explanation for these divergences.*

11 *(b) The department shall recommend a revised standard for*
12 *existing residential landscapes and landscape areas with dedicated*
13 *irrigation meters in connection with CII water use, if appropriate,*
14 *regarding an ongoing performance standard for existing residential*
15 *landscapes and landscape areas with dedicated irrigation meters*
16 *in connection with CII water use, for adoption by the board in*
17 *accordance with this chapter.*

18 ~~SEC. 2.~~

19 *SEC. 5. Section 10609.20 of the Water Code is amended to*
20 *read:*

21 *10609.20. (a) Each urban retail water supplier shall calculate*
22 *its urban water use objective no later than January 1, 2024, and by*
23 *January 1 every year thereafter.*

24 *(b) The calculation shall be based on the urban retail water*
25 *supplier's water use conditions for the previous calendar or fiscal*
26 *year.*

27 *(c) Each urban water supplier's urban water use objective shall*
28 *be composed of the sum of the following:*

29 *(1) Aggregate estimated efficient indoor residential water use.*

30 *(2) Aggregate estimated efficient outdoor residential water use.*

31 *(3) Aggregate estimated efficient outdoor irrigation of landscape*
32 *areas with dedicated irrigation meters or equivalent technology in*
33 *connection with CII water use.*

34 *(4) Aggregate estimated efficient water losses.*

35 *(5) Aggregate estimated water use in accordance with variances,*
36 *as appropriate.*

37 *(d) (1) An urban retail water supplier that delivers water from*
38 *a groundwater basin, reservoir, or other source that is augmented*
39 *by potable reuse water may adjust its urban water use objective*
40 *by a bonus incentive calculated pursuant to this subdivision.*

1 (2) The water use objective bonus incentive shall be the volume
2 of its potable reuse delivered to residential water users and to
3 landscape areas with dedicated irrigation meters in connection
4 with CII water use, on an acre-foot basis.

5 (3) The bonus incentive pursuant to paragraph (1) shall be
6 limited in accordance with one of the following:

7 (A) The bonus incentive shall not exceed 15 percent of the urban
8 water supplier’s water use objective for any potable reuse water
9 produced at an existing facility.

10 (B) The bonus incentive shall not exceed 10 percent of the urban
11 water supplier’s water use objective for any potable reuse water
12 produced at any facility that is not an existing facility.

13 (4) For purposes of this subdivision, “existing facility” means
14 a facility that meets all of the following:

15 (A) The facility has a certified environmental impact report,
16 mitigated negative declaration, or negative declaration on or before
17 January 1, 2019.

18 (B) The facility begins producing and delivering potable reuse
19 water on or before January 1, 2022.

20 (C) The facility uses microfiltration and reverse osmosis
21 technologies to produce the potable reuse water.

22 (e) (1) The calculation of the urban water use objective shall
23 be made using landscape area and other data provided by the
24 department and pursuant to the standards, guidelines, and
25 methodologies adopted by the board. The department shall provide
26 data to the urban water supplier at a level of detail sufficient to
27 allow the urban water supplier to verify its accuracy at the parcel
28 level.

29 (2) Notwithstanding paragraph (1), an urban retail water supplier
30 may use alternative data in calculating the urban water use
31 objective if the supplier demonstrates to the department that the
32 alternative data are equivalent, or superior, in quality and accuracy
33 to the data provided by the department. The department may
34 provide technical assistance to an urban retail water supplier in
35 evaluating whether the alternative data are appropriate for use in
36 calculating the supplier’s urban water use objective.

37 ~~(f) The department shall collect and update data for outdoor
38 residential landscapes and CH landscapes at least once every 10
39 years. The department shall post the data on its internet website.~~

1 (f) (1) *The department shall update methodologies and criteria*
2 *for calculating residential and CII landscape areas, if necessary*
3 *to accomplish the purposes of this chapter, and determine*
4 *landscape area measurements within each urban retail water*
5 *supplier's service area to be completed by January 1, 2028, and*
6 *once every five years thereafter.*

7 (2) *Landscape area measurements determined pursuant to*
8 *paragraph (1) shall, no later than January 1, 2039, include tree*
9 *canopy data for purposes of calculating a variance for water use*
10 *associated with irrigating trees in existing residential and CII*
11 *water use with dedicated irrigation meters.*

12 (3) *The department shall post landscape area measurement*
13 *data on its internet website.*

14 *SEC. 6. Section 10609.22 of the Water Code is amended to*
15 *read:*

16 10609.22. (a) An urban retail water supplier shall calculate its
17 actual urban water use no later than January 1, 2024, and by
18 January 1 every year thereafter.

19 (b) The calculation shall be based on the urban retail water
20 supplier's water use for the previous calendar or fiscal year.

21 (c) Each urban water supplier's urban water use shall be
22 composed of the sum of the following:

23 (1) Aggregate *indoor* residential water use.

24 (2) *Aggregate outdoor residential water use.*

25 ~~(2)~~

26 (3) Aggregate outdoor irrigation of landscape areas with
27 dedicated irrigation meters in connection with CII water use.

28 ~~(3)~~

29 (4) Aggregate water losses.

30 ~~SEC. 3.~~

31 *SEC. 7. Section 10609.24 of the Water Code is amended to*
32 *read:*

33 10609.24. (a) An urban retail water supplier shall submit a
34 report to the department no later than January 1, 2024, and by
35 January 1 ~~or July 1 every year thereafter, whether reporting is~~
36 ~~submitted on a calendar year or fiscal year basis.~~ *every year*
37 *thereafter.* The report shall include all of the following:

38 (1) The urban water use objective calculated pursuant to Section
39 10609.20 along with relevant supporting data.

- 1 (2) The actual urban water use calculated pursuant to Section
 2 10609.22 along with relevant supporting data.
- 3 (3) Documentation of the implementation of the performance
 4 measures for CII water use.
- 5 (4) A description of the progress made towards meeting the
 6 urban water use objective.
- 7 (5) The validated water loss audit report conducted pursuant to
 8 Section 10608.34.
- 9 (b) The department shall post the reports and information on its
 10 internet website.
- 11 (c) The board may issue an information order or conservation
 12 order to, or impose civil liability on, an entity or individual for
 13 failure to submit a report required by this section.
- 14 (d) As part of the report to be submitted in 2026, each urban
 15 retail water supplier shall provide a narrative that describes the
 16 water demand management measures that the supplier plans to
 17 implement to achieve its urban water use objective by January 1,
 18 2030.
- 19 ~~SEC. 4.~~
- 20 *SEC. 8.* Section 10609.26 of the Water Code is amended to
 21 read:
- 22 10609.26. (a) (1) On and after January 1, 2026, the board may
 23 issue informational orders pertaining to water production, water
 24 use, and water conservation to an urban retail water supplier that
 25 does not meet its urban water use objective required by this chapter.
 26 Informational orders are intended to obtain information on supplier
 27 activities, water production, and conservation efforts in order to
 28 identify technical assistance needs and assist urban water suppliers
 29 in meeting their urban water use objectives.
- 30 (2) In determining whether to issue an informational order, the
 31 board shall consider the degree to which the urban retail water
 32 supplier is not meeting its urban water use objective, information
 33 provided in the report required by Section 10609.24, and actions
 34 the urban retail water supplier has implemented or will implement
 35 in order to help meet the urban water use objective.
- 36 (3) The board shall share information received pursuant to this
 37 subdivision with the department.
- 38 (4) An urban water supplier may request technical assistance
 39 from the department. The technical assistance may, to the extent
 40 available, include guidance documents, tools, and data.

1 (b) On and after January 1, 2027, the board may issue a written
2 notice to an urban retail water supplier that does not meet its urban
3 water use objective required by this chapter. The written notice
4 may warn the urban retail water supplier that it is not meeting its
5 urban water use objective described in Section 10609.20 and is
6 not making adequate progress in meeting the urban water use
7 objective, and may request that the urban retail water supplier
8 address areas of concern in its next annual report required by
9 Section 10609.24. In deciding whether to issue a written notice,
10 the board may consider whether the urban retail water supplier has
11 received an informational order, the degree to which the urban
12 retail water supplier is not meeting its urban water use objective,
13 information provided in the report required by Section 10609.24,
14 and actions the urban retail water supplier has implemented or will
15 implement in order to help meet its urban water use objective.

16 (c) (1) On and after January 1, 2028, the board may issue a
17 conservation order to an urban retail water supplier that does not
18 meet its urban water use objective. A conservation order may
19 consist of, but is not limited to, referral to the department for
20 technical assistance, requirements for education and outreach,
21 requirements for local enforcement, and other efforts to assist
22 urban retail water suppliers in meeting their urban water use
23 objective.

24 (2) In issuing a conservation order, the board shall identify
25 specific deficiencies in an urban retail water supplier’s progress
26 towards meeting its urban water use objective, and identify specific
27 actions to address the deficiencies.

28 (3) The board may request that the department provide an urban
29 retail water supplier with technical assistance to support the urban
30 retail water supplier’s actions to remedy the deficiencies.

31 (d) A conservation order issued in accordance with this chapter
32 may include requiring actions intended to increase water-use
33 efficiency, but shall not curtail or otherwise limit the exercise of
34 a water right, nor shall it require the imposition of civil liability
35 pursuant to Section 377.

36 *SEC. 9. Section 10609.30 of the Water Code is amended to*
37 *read:*

38 10609.30. On or before January 10, ~~2024~~, 2029, the Legislative
39 Analyst shall provide to the appropriate policy committees of both
40 houses of the Legislature and the public a report evaluating the

1 implementation of the water use efficiency standards and water
 2 use reporting pursuant to this chapter. The board and the
 3 department shall provide the Legislative Analyst with the available
 4 data to complete this report.

5 (a) The report shall describe all of the following:

6 (1) The rate at which urban retail water users are complying
 7 with the standards, and factors that might facilitate or impede their
 8 compliance.

9 (2) ~~The~~ *Issues identified regarding the accuracy of the data and*
 10 *estimates being used to calculate urban water use objectives.*

11 (3) Indications of the economic impacts, if any, of the
 12 implementation of this chapter on urban water suppliers and urban
 13 water users, including CII water users.

14 (4) The frequency of use of the bonus incentive, the volume of
 15 water associated with the bonus incentive, value to urban water
 16 suppliers of the bonus incentive, and any implications of the use
 17 of the bonus incentive on water use efficiency.

18 (5) The early indications of how implementing this chapter
 19 might impact the efficiency of statewide urban water use.

20 (6) Recommendations, if any, for improving statewide urban
 21 water use efficiency and the standards and practices described in
 22 this chapter.

23 (7) Any other issues the Legislative Analyst deems appropriate.

24 (b) *A report to be submitted pursuant to this section shall be*
 25 *submitted in compliance with Section 9795 of the Government*
 26 *Code.*

27 *SEC. 10. Section 10609.32 of the Water Code is amended to*
 28 *read:*

29 10609.32. It is the intent of the Legislature that the chairperson
 30 of the board and the director of the department appear before the
 31 appropriate policy committees of both houses of the Legislature
 32 ~~on or around January 1, 2026, not later than July 1, 2031,~~ and
 33 report on the implementation of the water use efficiency standards
 34 and water use reporting pursuant to this chapter. It is the intent of
 35 the Legislature that the topics to be covered include all of the
 36 following:

37 (a) The rate at which urban retail water suppliers are complying
 38 with the standards, and factors that might facilitate or impede their
 39 compliance.

40 (b) What enforcement actions have been taken, if any.

1 (c) The accuracy of the data and estimates being used to
2 calculate urban water use objectives.

3 (d) Indications of the economic impacts, if any, of the
4 implementation of this chapter on urban water suppliers and urban
5 water users, including CII water users.

6 (e) The frequency of use of the bonus incentive, the volume of
7 water associated with the bonus incentive, value to urban water
8 suppliers of the bonus incentive, and any implications of the use
9 of the bonus incentive on water use efficiency.

10 (f) An assessment of how implementing this chapter is affecting
11 the efficiency of statewide urban water use.

12 ~~SEC. 5.~~

13 *SEC. 11.* Section 10609.33 of the Water Code is amended to
14 read:

15 10609.33. (a) On or before January 1, 2030, the department,
16 in coordination with the board, shall submit a report to the
17 Legislature on the progress of urban retail water suppliers towards
18 achieving their urban water use objective pursuant to Section
19 10609.20.

20 (b) (1) The requirement for submitting a report imposed under
21 subdivision (a) is inoperative on January 1, 2034, pursuant to
22 Section 10231.5 of the Government Code.

23 (2) A report to be submitted pursuant to subdivision (a) shall
24 be submitted in compliance with Section 9795 of the Government
25 Code.

26 *SEC. 12. (a) The State Water Resources Control Board shall*
27 *adopt, by emergency regulation, amendments to Chapter 3.5*
28 *(commencing with Section 980) of Division 3 of Title 23 of the*
29 *California Code of Regulations, as may be required pursuant to*
30 *Senate Bill 1330 of the 2023–24 Regular Session.*

31 *(b) The emergency regulations adopted pursuant to this section*
32 *shall be adopted by the State Water Resources Control Board in*
33 *accordance with the Administrative Procedure Act (Chapter 3.5*
34 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
35 *2 of the Government Code). The adoption of these regulations is*
36 *an emergency and shall be considered by the Office of*
37 *Administrative Law as necessary for the immediate preservation*
38 *of the public peace, health, safety, and general welfare.*
39 *Notwithstanding Chapter 3.5 (commencing with Section 11340)*
40 *of Part 1 of Division 3 of Title 2 of the Government Code, any*

- 1 *emergency regulations adopted by the State Water Resources*
- 2 *Control Board pursuant to this section shall be filed with, but not*
- 3 *be repealed by, the Office of Administrative Law and shall remain*
- 4 *in effect until revised by the State Water Resources Control Board.*