

● **Board of Directors**
Communications and Legislation Committee

April 10, 2007 Board Meeting

8-20

Subject

Express support, if amended, for AB 224 (Wolk, D-Davis) on water supply planning and climate change

Description

Summary. Assembly Bill 224 (Attachment 1) by Assembly Member Lois Wolk, chair of the Assembly Water, Parks and Wildlife Committee, would enact the Climate Change and Water Resource Protection Act of 2007 and would require analysis and reporting by Department of Water Resources (DWR), the State Water Resources Control Board (SWRCB), urban water suppliers, and agricultural water suppliers on the potential effects of climate change related to water supply. The legislation cites DWR's 2006 report on climate change and California's water resources that concluded that climate change is likely to have significant effects on the state's water supply projects and the Sacramento-San Joaquin Delta. The legislation also cites the State Energy Resources Conservation and Development Commission's Public Interest Energy Research Program 2005 and 2006 reports that estimated water-related energy use consumes 19 percent of the state's electricity, 30 percent of its natural gas, and 88 billion gallons of diesel fuel every year, further noting that water supply and conveyance have both the highest energy magnitude and greatest variability in energy intensity. Further, the legislation refers to the California Global Warming Solutions Act of 2006 that requires the adoption of a statewide greenhouse gas emissions limit equivalent to the level in 1990, to be achieved by 2020.

Requirements for DWR. The legislation would require DWR, as part of its statewide water resource management responsibilities, to do the following:

- Include an analysis of the potential effects of climate change, to the extent applicable, in all the following reports:
 - The biennial report on the overall delivery capability of the State Water Project (SWP);
 - The California Water Plan;
 - Reports related to the Sacramento-San Joaquin Delta;
 - The State Plan of Flood Control; and
 - Bulletin 118 or other bulletins issued by DWR concerning the statewide status of groundwater basins.
- Investigate and determine the total equivalent carbon dioxide emissions arising from its operation of the SWP by December 31, 2008;
- After January 1, 2009, requires grant applicants to include information and analysis regarding climate change for any grant funding from the \$1 billion designated for integrated regional water management in the November 2006 voter-approved Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006); and
- By July 1, 2008, identify available information or develop information regarding climate change and water resources for each of the state's hydrologic basins for use by state and local agencies in preparing a state water quality control plan, a regional water quality control plan, an urban water management plan, and an agricultural water management plan and to make such information available on its Web site.

Requirements for SWRCB. AB 224 would require the SWRCB to do the following:

- Prepare a report that quantifies the energy savings and greenhouse gas emission reductions associated with alternative water supply development, included, but not limited to, increasing the use of recycled water and expanding reliance on water conservation:
 - The report is to be prepared in conjunction with DWR, the California Air Resources Board, the California Energy Commission and the Public Utilities Commission to assist state and local agencies in implementing the California Global Warming Solutions Act of 2006;
 - Quantify the statewide energy savings and greenhouse gas emission reductions assuming the following percentages of wastewater is recycled for use in each hydrologic region of the state: 30 percent, 50 percent, 70 percent, and 90 percent;
 - Quantify the statewide energy savings and greenhouse gas emission reductions assuming the maximum potential water use efficiency identified in DWR Bulletin 160-05;
 - Submit the report to the Governor, the Legislature and the general public by January 1, 2009, including specific policy recommendations and administrative actions to assist the state in meeting the requirements of the California Global Warming Solutions Act of 2006 to identify and implement specific greenhouse gas emission reduction measures; and
- Consider, as appropriate, a reasonable range of plausible hydrological temperature and sea-level change scenarios resulting from climate change in preparing or revising a state water control plan or a regional water quality control plan.

Requirements for Urban Water Suppliers and Agricultural Water Suppliers. AB 224 would require urban water suppliers and agricultural water suppliers to do the following:

- By January 1, 2009, require urban water suppliers preparing an urban water management plan and for agricultural water suppliers preparing an agricultural water management plan to:
 - Request or obtain information regarding climate change and water supply from DWR;
 - Identify the possible effects of climate change on its water supply projections based on the information from DWR, or from other reasonably reliable information in the possession of the supplier;
 - Consider the above noted information in preparation of urban water management plans and agricultural water management plans; and
- After January 1, 2009, grant applicants shall consider DWR identified or developed information regarding climate change and water resources for each of the state's hydrologic basins for any grant funding from the \$1 billion designated for integrated regional water management in the November 2006 voter-approved Proposition 84; and
- Exempts local agencies from these climate change requirements, if DWR does not make climate change information available.

Recommended Amendments. Metropolitan's board-adopted policy principle on global climate change and water resource planning supports further research into the potential water resource and quality effects of global climate change, and supports flexible "no-regret" solutions that provide water supply and quality benefits while increasing the ability to manage future climate change impacts. In addition, the policy principle supports reasonable, economically viable, and technologically feasible management strategies and efforts for reducing the potential impacts of global climate change to water resources. Metropolitan's staff finds the intent of AB 224 to address the issues of climate change, energy usage, and greenhouse gas emissions as they relate to water supply to be appropriate and consistent with Metropolitan's policy principle. However, as currently written, AB 224 contains a number of elements that should be clarified.

Therefore, the following are recommended amendments to AB 224:

- **Eliminating duplicate reporting requirement.** Section 10101 (b) requires that DWR investigate and determine, no later than December 31, 2008, the total equivalent carbon dioxide emissions arising from the operation of the State Water Project. As required by AB 32 (2006), the California Air Resources Board is developing the greenhouse gas emissions monitoring and reporting requirements by January 1, 2008, through a public process. The process developed by the California Air Resources Board should be used to determine DWR's emissions reporting. The requirement in Section 10101 (b) should be eliminated to avoid confusion and duplication with AB 32.
- **Clarify climate change information/analysis required in grant applications.** Section 10101 (c) requires that DWR would not approve any Proposition 84 grant applicants for funding unless the application includes information and analysis regarding climate change. As potential climate change impacts on many local watersheds have not been developed, the applicant should only be required to consider the information made available in a state water quality control plan, regional water quality control plan, and/or urban water management plan in their grant applications rather than performing an analysis.
- **DWR should seek partnerships with Cal-EPA and the scientific community to summarize information.** Section 10101 (d) requires DWR to identify available information or develop information regarding climate change and water resources for each hydrologic basin in the state on or before July 1, 2008. Currently, the scientific community has a number of climate models that give information on potential climate change impacts at the global level and a smaller number of models translating the global information into regional level. Given the time frame specified in the bill, there is limited time for DWR to develop new, peer-reviewed climate change information. Therefore, DWR should partner with Cal-EPA and the scientific community to document and summarize the more relevant information for each hydrologic basin to ensure appropriate scientific standards and reasonability.
- **Clarify the process to quantify energy savings and greenhouse gas emission reductions from the use of recycled water.** Section 10102 (b) requires SWRCB to quantifying energy savings and greenhouse gas emission reductions by assuming recycled water to be used to offset the use of potable water supplies in each hydrologic region by 30, 50, 70 and 90 percent. Unless the percentages specified in the bill refer to the amount used for non-potable purposes, the levels may not be attainable in highly urbanized area, like the Metropolitan service area, where non-potable water use is primarily limited to outdoor irrigation of landscaped areas and replenishment of storage. In quantifying energy savings and greenhouse gas emissions, the bill already requires that the SWRCB use the best scientific information available, which should be clarified to also include coordination with local agencies. Moreover, the bill should clarify that depending on the specific water sources available, the increased use of recycled water may not reduce greenhouse gas emissions.

Policy

By Minute Item 44813, dated March 12, 2002, the Board adopted the proposed policy principles regarding global climate change and water resources, as set forth in the letter signed by the Chief Executive Officer on February 27, 2002.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and authorize the General Manager to express Metropolitan's support for AB 224 if it is amended as described in this letter.

Fiscal Impact: Unknown. For DWR, there could be additional labor and material costs to meet the requirements of the bill. For Metropolitan, there could be some additional labor costs in the preparation of Metropolitan's Regional Urban Water Management Plan.

Business Analysis: For DWR, there would be additional staff time required to meet the provisions of the bill. There is a concern that DWR staff currently working on critical State Water Project matters, such as energy issues, could be reassigned to work on the matters contained in the bill. For Metropolitan, there would be some additional staff time required for preparing Metropolitan's Regional Urban Water Management Plan to meet the requirements in the bill.

Option #2

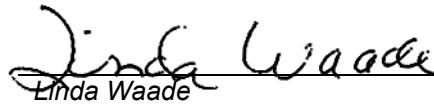
Take no position on AB 224

Fiscal Impact: None

Business Analysis: None

Staff Recommendation

Option #1



Linda Waade
Deputy General Manager, External Affairs
4/5/2007
Date



Jeffrey Kightlinger
General Manager
4/5/2007
Date

Attachment 1 – Assembly Bill 224

BLA #5368

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL**No. 224**

Introduced by Assembly Member Wolk

January 29, 2007

~~An act to amend Section 10631 of, to add Sections 142, 10004.7, and 13248 to, and to repeal and add Part 2.8 (commencing with Section 10800) of Division 6 of, the Water Code, relating to water. An act to add Part 1.6 (commencing with Section 10100) to Division 6 of the Water Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 224, as amended, Wolk. Water supply planning.

Under existing law, various state and local agencies engage in water resource planning.

This bill would enact the Climate Change and Water Resource Protection Act of 2007. The bill would require the Department of Water Resources, as part of its statewide water resource management responsibilities, to include an analysis of the potential effects of climate change, to the extent applicable, in reports or plans that the department is required to prepare. The bill would require the department to investigate and determine, no later than December 31, 2008, the total equivalent carbon dioxide emissions arising from its operation of the State Water Project. The bill would prohibit the department from approving a request for specified grants, submitted after January 1, 2009, unless the application includes certain information. The department would be required, by July 1, 2008, to identify available information or develop information regarding climate change and water resources for each of the state's hydrologic basins for specified uses.

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The bill would require an urban water supplier and an agricultural water supplier to take certain action relating to that information.

The bill would require the State Water Resources Control Board, in consultation with other state agencies, to prepare a report that quantifies the energy savings and greenhouse gas emission reductions associated with alternative water supply development. The state board would be required to submit the report to the Governor and the Legislature, and to make it available to the public, on or before January 1, 2009. The bill would require the state board or a California regional water quality board to consider, as appropriate, a reasonable range of plausible hydrological, temperature, and sea-level rise scenarios resulting from climate change for the purpose of preparing a state or regional water quality control plan, as applicable.

(1) ~~Under existing law, the Department of Water Resources operates the State Water Project, which includes state water facilities, as defined.~~

~~This bill would require the department, commencing in 2008, and every 2 years thereafter, to prepare and deliver to all State Water Project contractors, all city and county planning departments, and all regional and metropolitan planning departments within the project service area, a report that accurately sets forth, under a range of hydrologic conditions, the then-existing overall delivery capability of the project facilities and the allocation of that capacity to each contractor.~~

(2) ~~Under existing law, a plan for the orderly and coordinated control, protection, conservation, development, and utilization of the water resources of the state is known as the California Water Plan. The department is required to update the plan on or before December 31, 2003, and every 5 years thereafter. Existing law requires the plan to include a discussion of specified topics.~~

~~This bill would require the department, as part of updating the plan, to include an analysis of the effect of climate change on future water supplies.~~

(3) ~~Existing law requires every urban water supplier to prepare and adopt an urban water management plan with prescribed components. Existing law requires the urban water supplier to update its plan at least once every 5 years, as specified.~~

~~This bill would require the urban water supplier, as part of updating the plan, to include an analysis of the effect of climate change on future water supplies.~~

(4) ~~Existing law relating to agricultural water management planning, until January 1, 1993, and thereafter only as specified, provides for the~~

preparation and adoption of water management plans. That law defines “agricultural water supplier” or “supplier” to mean a supplier, either publicly or privately owned, supplying more than 50,000 acre-feet of water annually for agricultural purposes.

This bill would substantially revise existing law relating to agricultural water management planning to require every agricultural water supplier to prepare and adopt an agricultural water management plan, as prescribed, on or before December 31, 2011. The bill would delete the definition of “agricultural water supplier” and “supplier” and would, instead, require the department to conduct a survey of entities that supply water for agricultural purposes to gather data, assess, analyze that data, and recommend the appropriate minimum size of an agricultural water supplier that should prepare an agricultural water management plan. The department would be required to report its findings and recommendations, in writing, to the Governor and the Legislature before January 1, 2009. The bill would state the intent of the Legislature to respond to the department’s report by enacting legislation defining the term “agricultural water supplier.” The bill would require every person that becomes an agricultural water supplier after December 31, 2011, to adopt an agricultural water management plan within one year after it has become an agricultural water supplier. An agricultural water supplier would be required to update the plan at least once every 5 years, and to submit the plan to prescribed entities. The bill would make an agricultural water supplier that fails to prepare, adopt, and submit a plan ineligible for funds made available pursuant to any program administered by the State Water Resources Control Board, the department, or the California Bay-Delta Authority.

The bill would repeal these provisions relating to agricultural water management planning on January 1, 2011, unless the department determines that legislation has been enacted to define the term “agricultural water supplier” for the purposes of these provisions.

(5) Under existing law, the State Water Resources Control Board and the California regional water quality control boards adopt and revise water quality control plans that establish water quality objectives to ensure the reasonable protection of beneficial uses and the prevention of nuisance.

This bill would require the state board or a regional board, for the purpose of adopting or revising a water quality control plan, to consider, as appropriate, a reasonable range of plausible hydrological, temperature, and sea-level-rise scenarios resulting from climate change.

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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 hereby finds and declares all of**
2 **the following:**

3 (a) *The Department of Water Resources issued a 2006 report*
4 *on climate change and California's water resources, concluding*
5 *that climate change is likely to have significant effects on the state's*
6 *water supply projects and the Sacramento-San Joaquin Delta.*

7 (b) *The State Energy Resources Conservation and Development*
8 *Commission's Public Interest Energy Research Program*
9 *(CEC-PIER) produced reports in 2005 and 2006 regarding*
10 *water-related energy use in California that estimate that*
11 *water-related energy use consumes 19 percent of the state's*
12 *electricity, 30 percent of its natural gas, and 88 billion gallons of*
13 *diesel fuel every year.*

14 (c) *The CEC-PIER report also found that water supply and*
15 *conveyance have both the highest energy magnitude and the*
16 *greatest variability in energy intensity. The report noted that, on*
17 *a statewide average, recycled water is the least energy-intensive*
18 *source of new water supply.*

19 (d) *The California Global Warming Solutions Act of 2006*
20 *requires the adoption of a statewide greenhouse gas emissions*
21 *limit equivalent to the statewide greenhouse gas emissions level*
22 *in 1990 to be achieved by 2020. Existing law requires all state*
23 *agencies to consider and implement strategies to reduce their*
24 *greenhouse gas emissions.*

25 (e) *Increased use of recycled water statewide will reduce*
26 *California's energy consumption and help meet the state's goal*
27 *of reducing greenhouse gas emissions, as required by California*
28 *Global Warming Solutions Act of 2006.*

29 SEC. 2. Part 1.6 (commencing with Section 10100) is added
30 to Division 6 of the Water Code, to read:

31
32 **PART 1.6. CLIMATE CHANGE AND WATER RESOURCES**

33
34 10100. This part shall be known and may be cited as the
35 Climate Change and Water Resource Protection Act of 2007.

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1 10101. (a) The department, as part of its statewide water
2 resource management responsibilities, shall include an analysis
3 of the potential effects of climate change, to the extent applicable,
4 in all reports or plans that the department is required to prepare.
5 These reports or plans include all of the following:

6 (1) The biennial report on the overall delivery capability of the
7 State Water Project and the allocation of that capacity to each
8 contractor.

9 (2) The California Water Plan prepared pursuant to Part 1.5
10 (commencing with Section 10004).

11 (3) Reports related to the Sacramento-San Joaquin Delta.

12 (4) State Plan of Flood Control.

13 (5) Bulletin 118 or other bulletins issued by the department
14 concerning the statewide status of groundwater resources.

15 (b) The department shall investigate and determine, no later
16 than December 31, 2008, the total equivalent carbon dioxide
17 emissions arising from its operation of the State Water Project.

18 (c) The department shall not approve any request for a grant
19 for the purposes of Section 75026 of the Public Resources Code,
20 submitted after January 1, 2009, unless the application includes
21 the information and analysis regarding climate change.

22 (d) On or before July 1, 2008, the department shall identify
23 available information or develop information regarding climate
24 change and water resources for each of the state's hydrologic
25 basins for use by state and local agencies in preparing plans
26 described in Sections 10103 and 10104. To the maximum extent
27 practicable, the department shall make the information available
28 on its Internet Web site or through other readily available means.
29 The department may periodically update the climate change
30 information, as appropriate.

31 10102. (a) In order to assist local and state agencies in
32 implementing the California Global Warming Solutions Act of
33 2006 (Division 25.5 (commencing with Section 38500) of the
34 Health and Safety Code), the State Water Resources Control Board,
35 in consultation with the department, the State Air Resources Board,
36 and the Public Utilities Commission, shall prepare a report that
37 quantifies the energy savings and greenhouse gas emission
38 reductions associated with alternative water supply development,
39 including, but not limited to, increasing the use of recycled water

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1 to offset the use of existing potable water supplies in the state and
2 expanding reliance on water conservation.

3 (b) In making the quantification related to water recycling
4 required by subdivision (a), and using the best scientific
5 information available, the report shall quantify statewide energy
6 savings and greenhouse gas emission reductions assuming the
7 following percentages of wastewater in the state are treated for
8 use as recycled water and used to offset the use of potable water
9 supplies in each hydrologic region of the state: 30 percent, 50
10 percent, 70 percent, and 90 percent.

11 (c) In making the quantification related to water conservation
12 required by subdivision (a), and using the best scientific
13 information available, the report shall quantify statewide energy
14 savings and greenhouse gas emission reductions assuming the
15 maximum potential water use efficiency identified in the
16 department's Bulletin 160-05.

17 (d) The State Water Resources Control Board shall submit the
18 report required by subdivision (a) to the Governor and the
19 Legislature, and make the report available to the general public,
20 on or before January 1, 2009. The report shall include specific
21 policy recommendations and administrative actions that will assist
22 the state in meeting the requirements of Section 38560.5 of the
23 Health and Safety Code to identify and implement specific
24 greenhouse gas emission reduction measures.

25 10103. For the purpose of preparing or revising a state water
26 quality control plan or a regional water quality control plan, the
27 State Water Resources Control Board or the regional water quality
28 control board shall consider, as appropriate, a reasonable range
29 of plausible hydrological, temperature, and sea-level rise scenarios
30 resulting from climate change.

31 10104. (a) On and after January 1, 2009, an urban water
32 supplier that is required to prepare a plan pursuant to Part 2.6
33 (commencing with Section 10610), or an agricultural water
34 supplier that is required to prepare a plan pursuant to Part 2.8
35 (commencing with Section 10800), shall do all of the following:

36 (1) Request or otherwise obtain from the department the
37 information regarding climate change and water supply made
38 available pursuant to subdivision (d) of Section 10101.

39 (2) Identify the possible effects of climate change on its water
40 supply projections based on the information made available

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1 *pursuant to subdivision (d) of Section 10101 or other reasonably
2 reliable information in the possession of the supplier.*

3 *(3) Consider the information described in paragraphs (1) and
4 (2) for the purposes of making determinations required by Part
5 2.6 (commencing with Section 10610) or Part 2.8 (commencing
6 with Section 10800).*

7 *(b) For the purposes of preparing grant applications for the
8 purposes of Section 75026 of the Public Resource Code, submitted
9 to the department after January 1, 2009, the supplier shall consider
10 the information made available pursuant to subdivision (d) of
11 Section 10101.*

12 *(c) If the information described in subdivision (d) of Section
13 10101 is not available or does not apply to a supplier described
14 in subdivision (a), the supplier is not subject to the requirements
15 of this section.*

16

17

**All matter omitted in this version of the bill
appears in the bill as introduced in the
Assembly, January 29, 2007 (JR11)**

O