

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

March 11, 2008 Board Meeting

8-9

Subject

Express support, if amended, for AB 2175 (Laird, D-Santa Cruz and Feuer, D-Los Angeles) - Water Conservation

Description

Background: Last year, Assembly Member John Laird (D-Santa Cruz) requested that Metropolitan cosponsor his bill, AB 1420, along with the Natural Resources Defense Council. AB 1420, signed into law in October 2007, conditions the availability of water management grants and loans to urban water suppliers on the implementation of water conservation measures. These requirements apply to both retail and wholesale water suppliers' grant and loan applications from existing and future bond funding.

This year Assemblymen Laird and coauthor Mike Feuer, seek to expand and promote water use efficiency in a new measure, AB 2175 (**Attachment 1**). The bill's overall strategy is to build upon existing plans and processes to establish and track water conservation targets, including the California Water Plan (Bulletin 160), Urban Water Management Plans, AB 1420 and the efforts of the California Urban Water Conservation Council (CUWCC). The new approach would be to set water use efficiency targets for agriculture and urban water users that establish a statewide target for water conservation and encourage the development of new technologies and investments necessary to meet that target.

Governor Schwarzenegger has established a statewide reduction in per-capita water use as an element in his overall plan to address the problems of the Sacramento-San Joaquin Delta. In a February 28 letter to State Senate Democratic leadership, Schwarzenegger wrote he would "welcome legislation" that would help reduce per-capita water use by 20 percent by the year 2020.

Existing Law: The California Department of Water Resources (DWR) is required, in consultation with the CUWCC, to convene an independent technical panel to provide information to the department and the Legislature on new demand management measures, technologies, and approaches. Existing law also requires DWR to update the California Water Plan every five years and urban water agencies, as defined, to submit Urban Water Management Plans every five years.

Proposed Legislation: AB 2175 would require DWR to establish a numeric water conservation target for the state, initially for 2030, that provides for the maximum feasible and cost-effective increase in water conservation. The department would be required, on or before December 31, 2012, and not less than every five years thereafter, to review and increase that water conservation target based on specified information. Urban and agriculture water suppliers, meanwhile, would be required to adopt their own targets for conservation measures based on either the implementation of water conservation measures identified by DWR which are both technically feasible and cost-effective for the water supplier or alternative measures that achieve equal or greater water savings. The water suppliers are required to periodically report to DWR on the progress of implementing those measures. DWR could impose the implementation of specific conservation measures in the lack of local progress.

The potential benefit of this legislation is that it represents an important evolution of local best management practices that date back to the 1990s, when nearly 100 urban water users and environmental organizations adopted a memorandum of understanding that led to the creation of the CUWCC.

In its current form, however, AB 2175 may fall short of its desired result of achieving the water use efficiency targets for 2030 for urban water users (as much as 2 million acre-feet per year) and agricultural users (as much as 1 million acre-feet) envisioned in scenarios contained in Bulletin 160. AB 2175 solely focuses on new water

technology and stand-alone actions by water districts as methods to improve conservation. Many methods of reducing demand would require actions by local land use agencies to encourage higher-density housing, sanitation agencies to encourage water recycling, or the State Legislature to reform plumbing codes or implement new programs or mandates to replace an estimated 10 million high-water-use toilets still in use in the state.

AB 2175 has significant new reporting requirements for water districts that in and of themselves do not result in additional water savings. The measure is troublesome in that it authorizes DWR to impose water conservation measures on local water agencies that are deemed to be deficient. The measure, at this juncture, is silent on what would happen if a local water district does not meet the target.

Despite these concerns, Metropolitan staff believes that the authors are open to amendments to make AB 2175 both effective and workable for water agencies. Metropolitan's ability to shape the legislation is considerably greater if it expresses a conceptual support with the goal of improving the mechanics of the measure. Metropolitan is considerably farther along in conservation efforts than many other urban areas of the state. AB 2175 could play a useful role in accelerating conservation efforts elsewhere in the urban and agricultural communities.

Staff proposes seeking amendments that establish cost-effective targets for conservation using equitable metrics and allow for these targets to be adjusted depending on new information regarding feasibility and cost-effectiveness. In addition, staff will explore using existing reporting mechanisms for this legislation, rather than creating a new report for water agencies to file. Metropolitan will collaborate with the Member Agencies to identify further amendments as deemed appropriate.

Policy

By Minute Item 45208, dated February 11, 2003, the Board adopted a set of policy principles on water conservation to ensure a solid foundation for development of future Metropolitan positions on water conservation legislation and to provide guidance to Metropolitan staff.

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

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 #3:

None required

Board Options

Option #1

Adopt the CEQA determination and authorize the General Manager to express Metropolitan's support for AB 2175, if amended, to address Metropolitan concerns.

Fiscal Impact: Unknown

Business Analysis: Unknown

Option #2

Adopt the CEQA determination and authorize the General Manager to express Metropolitan's support for AB 2175.

Fiscal Impact: Unknown

Business Analysis: Unknown

Option #3

Take no position on AB 2175.

Fiscal Impact: Unknown

Business Analysis: Unknown

Staff Recommendation

Option #1


Linda Waade
Deputy General Manager, External Affairs

3/4/2008

Date


Jeffrey Nightlinger
General Manager

3/4/2008

Date

Attachment 1 – AB 2175

BLA #6051

ASSEMBLY BILL

No. 2175

Introduced by Assembly Members Laird and Feuer

February 20, 2008

An act to add Part 2.55 (commencing with Section 10608) to Division 6 of the Water Code, relating to water conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2175, as introduced, Laird. Water conservation.

Existing law requires the Department of Water Resources to convene an independent technical panel to provide information to the department and the Legislature on new demand management measures, technologies, and approaches. "Demand management measures" means those water conservation measures, programs, and incentives that prevent the waste of water and promote the reasonable and efficient use and reuse of available supplies.

This bill would require the department to establish a numeric water conservation target for the state, initially for 2030, that provides for the maximum feasible and cost-effective increase in water conservation. The department would be required, on or before December 31, 2012, and not less than every 5 years thereafter, to review and increase that water conservation target based on specified information. The department would be required to establish interim urban and agricultural water conservation targets for each hydrologic region of the state.

The department would be required to establish and make available to the public, on or before December 31, 2010, and every 5 years thereafter, a list of technically feasible urban water conservation measures. Urban water suppliers would be required to adopt those water

conservation measures that are locally cost effective or to implement alternative measures that achieve equal or greater water savings.

The department would be required to establish and make available to the public, on or before December 31, 2012, and every 5 years thereafter, a list of efficient agricultural water management practices. Agricultural water suppliers would be required to adopt those water management practices that are technically feasible and cost effective for the local area or to implement alternative measures that achieve equal or greater water savings.

The bill would authorize the department to require additional water conservation measures or water management practices under certain circumstances. The bill would make related legislative findings and declarations and a statement of legislative intent.

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. Part 2.55 (commencing with Section 10608) is
2 added to Division 6 of the Water Code, to read:

3
4 PART 2.55. WATER CONSERVATION

5
6 CHAPTER 1. GENERAL DECLARATIONS AND POLICY

7
8 10608. The Legislature finds and declares all of the following:

9 (a) Water is a public trust resource in California that should be
10 protected against waste and unreasonable use.

11 (b) Growing population, climate change, and the need to protect
12 California’s fish and wildlife make it essential that the state manage
13 its water resources as efficiently as possible.

14 (c) Reduced water use through conservation provides significant
15 energy and environmental benefits, can help protect water quality,
16 and reduces greenhouse gas emissions.

17 (d) Improvements in technology and management practices
18 offer the potential for increasing water conservation in California
19 over time, providing an essential water management tool to meet
20 the need for water for urban, agricultural, and environmental uses.

21 (e) The California Water Plan projects that urban water
22 conservation can reduce water demand by between 2 and 3 million

1 acre-feet of water per year by the year 2030 through feasible and
2 cost-effective measures. The plan also projects that agricultural
3 water conservation has the potential to provide up to 1 million
4 acre-feet of water per year by 2030 in additional water savings.

5 10608.1. It is the intent of the Legislature, by the enactment
6 of this part, to require all water suppliers to identify, adopt, and
7 implement the maximum feasible and cost-effective water
8 conservation measures to avoid waste and unreasonable use of this
9 essential resource.

10

11 CHAPTER 2. DEFINITIONS

12

13 10608.2. The following definitions apply to this part:

14 (a) “Locally cost effective” means that the present value of the
15 local benefits of implementing a water conservation measure are
16 greater than or equal to the present value of the local costs of
17 implementing that measure.

18 (b) “Water conservation” means those measures, programs, and
19 incentives that result in reduced demand, prevent the waste of
20 water, and promote the efficient use of available supplies.

21 (c) Except as otherwise indicated, “water supplier” includes
22 both of the following:

23 (1) An urban water supplier, as defined in Section 10617.

24 (2) An agricultural water supplier, as defined in subdivision (b)
25 of Section 531.

26

27 CHAPTER 3. WATER CONSERVATION TARGETS

28

29 10608.4. (a) The department shall establish a numeric water
30 conservation target for California that provides for the maximum
31 feasible and cost-effective increase in water conservation. The
32 initial target shall be for the year 2030 and shall be not less than
33 a 3 million acre-feet of water reduction from current projected
34 demand in the absence of additional urban water conservation
35 measures and agricultural water management practices.

36 (b) On or before December 31, 2012, and not less than every
37 five years thereafter, the department shall review and may increase
38 the water conservation target, based on consideration of all relevant
39 information, including, but not limited to, estimates of maximum

1 feasible and locally cost-effective water conservation potential
2 determined pursuant to Sections 10608.8 and 10608.10.

3 10608.6. On or before December 31, 2012, the department
4 shall establish interim urban and agricultural water conservation
5 targets for the years 2015, 2020, and 2025, and every five years
6 thereafter, based on the information identified pursuant to Section
7 10608.4, for each hydrologic region of the state, that reflect the
8 unique conditions of each region and include consideration of
9 relative per capita water consumption, agricultural economics, and
10 conservation and water use efficiency measures adopted prior to
11 the establishment of state and regional water conservation targets.
12 The regional targets shall be designed to cumulatively achieve the
13 statewide water conservation target established and updated
14 pursuant to Section 10608.4.

15 10608.8. (a) On or before December 31, 2010, and every five
16 years thereafter, the department shall establish and make available
17 to the public a list of technically feasible urban water conservation
18 measures available to meet the urban water conservation targets
19 established pursuant to Sections 10608.4 and 10608.6. In
20 developing the list, the department shall consider all relevant
21 information, including, but not limited to, information provided
22 by the independent technical panel established pursuant to Section
23 10631.7.

24 (b) On or before December 31, 2012, and every five years
25 thereafter, an urban water supplier shall either adopt those water
26 conservation measures identified in subdivision (a) that are locally
27 cost effective, or implement alternative measures that achieve
28 equal or greater water savings. An urban water supplier shall adopt
29 a numeric water conservation target, based on the proposed water
30 conservation measures, for 2012 and every five years thereafter.
31 An urban water supplier shall submit documentation indicating
32 that a water conservation measure is not locally cost effective, as
33 applicable.

34 (c) On or before December 31, 2014, and every two years
35 thereafter, an urban water supplier shall submit a report to the
36 department, confirmed by independent evaluation, that identifies
37 the basis for its adopted water conservation target and its progress
38 in reaching the target.

39 (d) Based on its review of the report submitted pursuant to
40 subdivision (c) and the related independent evaluation, the

1 department may require additional water conservation measures
2 if the department determines the proposed target is not consistent
3 with subdivision (a) or there is insufficient progress in meeting
4 the target.

5 10608.10. (a) On or before December 31, 2012, and every five
6 years thereafter, the department shall establish and make available
7 to the public a list of efficient agricultural water management
8 practices available to meet the agricultural water conservation
9 targets established pursuant to Sections 10608.4 and 10608.6.

10 (b) On or before December 31, 2015, and every five years
11 thereafter, an agricultural water supplier shall either adopt those
12 water management practices established pursuant to subdivision
13 (a) that are both technically feasible and cost effective for the local
14 area, or implement alternative measures that achieve equal or
15 greater water savings. An agricultural water supplier shall adopt
16 a numeric water conservation target, based on the proposed water
17 management practices, for 2015 and every five years thereafter.
18 An agricultural water supplier shall submit documentation
19 indicating that a water management practice is not locally feasible
20 or not locally cost effective, as applicable.

21 (c) On or before December 31, 2015, and every five years
22 thereafter, an agricultural water supplier shall submit a report to
23 the department, confirmed by independent evaluation, that
24 identifies the basis of its adopted water conservation target and its
25 progress in reaching the target.

26 (d) Based on its review of the report submitted pursuant to
27 subdivision (c) and the related independent evaluation, the
28 department may require additional water management practices if
29 the department determines the proposed target is not consistent
30 with subdivision (a) or there is insufficient progress in meeting
31 the target.

32 10608.12. To the extent that the aggregate of the water
33 conservation targets established pursuant to Sections 10608.8 and
34 10608.10 does not meet the state targets identified in Sections
35 10608.4 and 10608.6, the department shall propose and adopt a
36 plan of action to meet the state targets. This plan shall specify the
37 increased levels of water conservation that need to be implemented
38 at the state and local level, in addition to the locally cost-effective
39 water conservation measures or water management practices
40 proposed pursuant to Section 10608.8 or 10608.10.

1 10608.14. Water suppliers may comply with Sections 10608.8
2 and 10608.10 individually or regionally and the requirements may
3 be met through the submission of an urban water management
4 plan or agricultural water management plan that is consistent with
5 this part.

6 10608.16. (a) The department shall develop methodologies
7 and guidelines as necessary to implement this part.

8 (b) All state water conservation targets, methodologies, and
9 guidelines, and lists of feasible water conservation measures or
10 water management practices established pursuant to this part, shall
11 be established only after the department, or at the department's
12 request, the California Water Commission, conducts a series of
13 public hearings and workshops to allow participation of the diverse
14 geographical areas and interest of the state.

15 10608.18. (a) The Legislature hereby finds and declares that
16 the development, adoption, and implementation of water
17 conservation targets as provided in this part is an issue of statewide
18 significance that is critical to the effective implementation of
19 integrated regional water management in California.

20 (b) It is the intent of the Legislature that funds made available
21 by Section 75026 of the Public Resources Code should be
22 expended, consistent with Division 43 (commencing with Section
23 75001) of the Public Resources Code and upon appropriation by
24 the Legislature, for grants and direct expenditures to implement
25 this part.