



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

April 14, 2009 Board Meeting

8-9

Subject

Express support for AB 1465 (Hill, D-San Mateo) – Urban water management planning

Description

AB 1465 ([Attachment 1](#)), sponsored by the San Diego County Water Authority, would accomplish the following related to urban water management plans:

1. Update the requirements for reporting on demand management measures in urban water management plans to maintain consistency with the California Urban Water Conservation Council's adopted best management practices.
2. Require urban water suppliers to describe opportunities for development of recycled water supplies and stormwater capture and reuse in urban water management plans.
3. Require the Department of Water Resources to determine that an urban water supplier is eligible for a water management grant or loan, despite a failure to implement all of the water demand management measures identified in the urban water management plan, if the supplier submits to the department documentation demonstrating that the supplier's proposed water demand management measures provide equivalent savings or that the supplier lacks the authority to implement one or more of the demand management measures.

Staff is recommending a position of support. This recommendation is consistent with the Board's adopted policy principles on water conservation, water recycling, and global climate change and water resources planning ([Attachment 2](#)).

Background

In December 2008, the California Urban Water Conservation Council amended the Memorandum of Understanding regarding Urban Water Conservation in California, updating the best management practices and adopting new compliance strategies. In November 2008, the Board authorized support for revisions to the Memorandum of Understanding. Historically, demand management measures specified in Section 10631 of the Water Code for urban water management plans directly correlated to the best management practices required in the Memorandum of Understanding.

Existing Law

Existing law requires urban water suppliers to prepare and adopt an urban water management plan, in accordance with specified requirements that include describing demand management measures, but not establishing a goal for demand management. Currently, urban water management plans must include opportunities for desalinated water as part of the evaluation of water supply projects and programs but are not required to address recycled water or stormwater as a long term source of supply. For water management grants and loans, existing law excludes water suppliers that are not implementing all cost-effective demand management measures. It does not allow consideration for equivalent water savings that could be achieved through alternative demand management measures or situations where the urban supplier does not have authority to implement a particular demand management measure.

Impact to Metropolitan

The proposed bill would ensure that urban water suppliers throughout the state work toward common goals for demand management and local resource development. This benefits Metropolitan through implementation of effective water use efficiency programs, further development of local water supplies, reduced demand for imported water, and improved regional water supply reliability.

Policy

By Minute Item 42287, dated February 11, 1997, the Board adopted a set of policy principles on water recycling.

By Minute Item 44813, dated March 12, 2002, the Board adopted a policy principle on global climate change and water resources planning.

By Minute Item 45208, dated February 11, 2003, the Board adopted a set of policy principles on water conservation.

By Minute Item 47704, dated November 18, 2008, the Board authorized support for revisions to the California Urban Water Conservation Council Memorandum of Understanding.

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 15601(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 1465.

Fiscal Impact: None

Business Analysis: Consistency between best management practices required under the Memorandum of Understanding and demand management measures required for urban water management plans would improve the cost-effectiveness and performance of water use efficiency programs and projects. Requiring urban water suppliers to evaluate recycled water and stormwater capture and reuse as part of a comprehensive water supply analysis will improve supply reliability.

Option #2

Take no position on AB 1465.

Fiscal Impact: None

Business Analysis: Maintaining different demand management standards for urban water management plans and Memorandum of Understanding compliance could penalize suppliers who are unable to adequately support both requirements. This could result in the inefficient allocation of resources and reduce potential water savings. Excluding the opportunities of recycled water and stormwater capture and use as part of a comprehensive water resource management program could reduce local resource benefits and impact water supply reliability.

Staff Recommendation

Option #1


Linda Waade
Deputy General Manager, External Affairs

4/2/2009
Date


Jeffrey Nighlinger
General Manager

4/2/2009
Date

Attachment 1 – Assembly Bill 1465

Attachment 2 – Metropolitan Policy Principles on Water Conservation, Water Recycling, and Global Climate Change and Water Resources Planning

BLA #6689

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL**No. 1465****Introduced by Assembly Member Hill**

February 27, 2009

An act to amend Sections 10631, 10631.5, and 10633 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1465, as introduced, Hill. Urban water management planning.

(1) Existing law requires every urban water supplier to prepare and adopt an urban water management plan, in accordance with specified requirements, for submission to the Department of Water Resources and other entities. An urban water supplier is required to provide information relating to the supplier's water demand management measures.

This bill would revise provisions relating to the information that the urban water supplier is required to include in the plan with regard to water demand management measures. The bill would require the urban water supplier to describe in the plan the opportunities for development of recycled water supplies, including opportunities for nonpotable and indirect potable reuse, and the opportunities for stormwater recapture and reuse as a long-term water supply.

(2) Existing law, with certain exceptions, requires the terms of, and eligibility for, a water management grant or loan, made to an urban water supplier and awarded or administered by the department, the State Water Resources Control Board, or the California Bay-Delta Authority or its successor agency, to be conditioned on the implementation of the water demand management measures identified in the supplier's urban water management plan.

AB 1465

This bill would require the department to determine that an urban water supplier is eligible for a water management grant or loan, despite a failure to implement all of the water demand management measures identified in the urban water management plan, if the supplier submits to the department for approval documentation demonstrating that the supplier’s proposed water demand management measures provide a level of water savings that is equivalent to the savings provided by the implementation of measures identified in the plan or that the supplier lacks the authority to implement one or more of those measures.

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 10631 of the Water Code is amended to
2 read:

3 10631. A plan shall be adopted in accordance with this chapter
4 and shall do all of the following:

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

12 (b) Identify and quantify, to the extent practicable, the existing
13 and planned sources of water available to the supplier over the
14 same five-year increments described in subdivision (a). If
15 groundwater is identified as an existing or planned source of water
16 available to the supplier, all of the following information shall be
17 included in the plan:

18 (1) A copy of any groundwater management plan adopted by
19 the urban water supplier, including plans adopted pursuant to Part
20 2.75 (commencing with Section 10750), or any other specific
21 authorization for groundwater management.

22 (2) A description of any groundwater basin or basins from which
23 the urban water supplier pumps groundwater. For those basins for
24 which a court or the board has adjudicated the rights to pump
25 groundwater, a copy of the order or decree adopted by the court
26 or the board and a description of the amount of groundwater the

1 urban water supplier has the legal right to pump under the order
2 or decree. For basins that have not been adjudicated, information
3 as to whether the department has identified the basin or basins as
4 overdrafted or has projected that the basin will become overdrafted
5 if present management conditions continue, in the most current
6 official departmental bulletin that characterizes the condition of
7 the groundwater basin, and a detailed description of the efforts
8 being undertaken by the urban water supplier to eliminate the
9 long-term overdraft condition.

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

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

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

23 (A) An average water year.

24 (B) A single dry water year.

25 (C) Multiple dry water years.

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

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

33 (e) (1) Quantify, to the extent records are available, past and
34 current water use, over the same five-year increments described
35 in subdivision (a), and projected water use, identifying the uses
36 among water use sectors, including, but not necessarily limited to,
37 all of the following uses:

38 (A) Single-family residential.

39 (B) Multifamily.

40 (C) Commercial.

AB 1465

— 4 —

- 1 (D) Industrial.
2 (E) Institutional and governmental.
3 (F) Landscape.
4 (G) Sales to other agencies.
5 (H) Saline water intrusion barriers, groundwater recharge, or
6 conjunctive use, or any combination thereof.
7 (I) Agricultural.
- 8 (2) The water use projections shall be in the same five-year
9 increments described in subdivision (a).
- 10 ~~(f) Provide a description of the supplier's water demand~~
11 ~~management measures. This description shall include all of the~~
12 ~~following:~~
- 13 ~~(1) A description of each water demand management measure~~
14 ~~that is currently being implemented, or scheduled for~~
15 ~~implementation, including the steps necessary to implement any~~
16 ~~proposed measures, including, but not limited to, all of the~~
17 ~~following:~~
- 18 ~~(A) Water survey programs for single-family residential and~~
19 ~~multifamily residential customers.~~
20 ~~(B) Residential plumbing retrofit.~~
21 ~~(C) System water audits, leak detection, and repair.~~
22 ~~(D) Metering with commodity rates for all new connections and~~
23 ~~retrofit of existing connections.~~
24 ~~(E) Large landscape conservation programs and incentives.~~
25 ~~(F) High-efficiency washing machine rebate programs.~~
26 ~~(G) Public information programs.~~
27 ~~(H) School education programs.~~
28 ~~(I) Conservation programs for commercial, industrial, and~~
29 ~~institutional accounts.~~
30 ~~(J) Wholesale agency programs.~~
31 ~~(K) Conservation pricing.~~
32 ~~(L) Water conservation coordinator.~~
33 ~~(M) Water waste prohibition.~~
34 ~~(N) Residential ultra-low-flush toilet replacement programs.~~
- 35 ~~(2) A schedule of implementation for all water demand~~
36 ~~management measures proposed or described in the plan.~~
- 37 ~~(3) A description of the methods, if any, that the supplier will~~
38 ~~use to evaluate the effectiveness of water demand management~~
39 ~~measures implemented or described under the plan.~~

1 ~~(4) An estimate, if available, of existing conservation savings~~
2 ~~on water use within the supplier's service area, and the effect of~~
3 ~~the savings on the supplier's ability to further reduce demand.~~

4 ~~(g) An evaluation of each water demand management measure~~
5 ~~listed in paragraph (1) of subdivision (f) that is not currently being~~
6 ~~implemented or scheduled for implementation. In the course of~~
7 ~~the evaluation, first consideration shall be given to water demand~~
8 ~~management measures, or combination of measures, that offer~~
9 ~~lower incremental costs than expanded or additional water supplies.~~
10 ~~This evaluation shall do all of the following:~~

11 ~~(1) Take into account economic and noneconomic factors,~~
12 ~~including environmental, social, health, customer impact, and~~
13 ~~technological factors.~~

14 ~~(2) Include a cost-benefit analysis, identifying total benefits and~~
15 ~~total costs.~~

16 ~~(3) Include a description of funding available to implement any~~
17 ~~planned water supply project that would provide water at a higher~~
18 ~~unit cost.~~

19 ~~(4) Include a description of the water supplier's legal authority~~
20 ~~to implement the measure and efforts to work with other relevant~~
21 ~~agencies to ensure the implementation of the measure and to share~~
22 ~~the cost of implementation.~~

23 *(f) Establish the goal of the urban water supplier for demand*
24 *management through implementation of the measures identified*
25 *in this subdivision, alternative equivalent demand management*
26 *measures, or an overall reduction in gallons per capita per day*
27 *of urban water use. The urban water supplier shall provide all of*
28 *the following:*

29 *(1) A description of each water demand management measure*
30 *that is currently being implemented, or scheduled for*
31 *implementation. Measures may include, but are not limited to, the*
32 *following:*

33 *(A) Utility operations programs, including programs relating*
34 *to conservation coordination, water waste prevention, wholesale*
35 *agency assistance, pricing, metering, and water loss control.*

36 *(B) Education and information programs, including programs*
37 *relating to school education and public information.*

38 *(C) Residential programs, including programs relating to*
39 *residential assistance, landscape water surveys, high efficiency*

AB 1465

1 *clothes washer incentives, ordinances, and low-flow toilet*
2 *incentives.*

3 *(D) Commercial, institutional, and industrial programs,*
4 *including programs relating to device-based incentives, audits,*
5 *and process improvement incentives.*

6 *(E) Landscape programs, including programs relating to water*
7 *budgets, water use surveys, and financial incentives.*

8 *(2) A schedule of implementation for all water demand*
9 *management measures proposed or described in the plan.*

10 *(3) An estimate of the water savings or reduction in gallons per*
11 *capita per day of urban water use that will be achieved through*
12 *implementation of the proposed demand management measures.*

13 *(4) A description of the methods, if any, that the supplier will*
14 *use to evaluate the effectiveness of water demand management*
15 *measures implemented or described in the plan.*

16 *(g) Evaluate any alternative demand management measures*
17 *being implemented by the supplier to provide a level of water*
18 *savings that is equivalent to the savings provided by*
19 *implementation of the water demand management measures listed*
20 *in paragraph (1) of subdivision (f).*

21 *(h) Evaluate each water demand management measure listed*
22 *in paragraph (1) of subdivision (f) that is not currently being*
23 *implemented or scheduled for implementation due to lack of legal*
24 *authority or lack of cost effectiveness.*

25 ~~(h)~~

26 *(i) Include a description of all water supply projects and water*
27 *supply programs that may be undertaken by the urban water*
28 *supplier to meet the total projected water use as established*
29 *pursuant to subdivision (a) of Section 10635. The urban water*
30 *supplier shall include a detailed description of expected future*
31 *projects and programs, other than the demand management*
32 *programs identified pursuant to paragraph (1) of subdivision (f),*
33 *that the urban water supplier may implement to increase the amount*
34 *of the water supply available to the urban water supplier in average,*
35 *single-dry, and multiple-dry water years. The description shall*
36 *identify specific projects and include a description of the increase*
37 *in water supply that is expected to be available from each project.*
38 *The description shall include an estimate with regard to the*
39 *implementation timeline for each project or program.*

40 ~~(i)~~

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

4 (k) Describe the opportunities for development of recycled water
5 supplies, including opportunities for nonpotable and indirect
6 potable reuse as a long-term water supply.

7 (l) Describe the opportunities for stormwater capture and reuse
8 as a long-term water supply.

9 (j)

10 (m) Urban water suppliers that are members of the California
11 Urban Water Conservation Council and submit annual reports to
12 that council in accordance with the “Memorandum of
13 Understanding Regarding Urban Water Conservation in
14 California,” dated ~~September 1991~~ December 2008, may submit
15 the annual reports identifying water demand management measures
16 currently being implemented, or scheduled for implementation, to
17 satisfy the requirements of subdivisions (f) ~~and~~, (g), and (h).

18 (k)

19 (n) Urban water suppliers that rely upon a wholesale agency for
20 a source of water shall provide the wholesale agency with water
21 use projections from that agency for that source of water in
22 five-year increments to 20 years or as far as data is available. The
23 wholesale agency shall provide information to the urban water
24 supplier for inclusion in the urban water supplier’s plan that
25 identifies and quantifies, to the extent practicable, the existing and
26 planned sources of water as required by subdivision (b), available
27 from the wholesale agency to the urban water supplier over the
28 same five-year increments, and during various water-year types
29 in accordance with subdivision (c). An urban water supplier may
30 rely upon water supply information provided by the wholesale
31 agency in fulfilling the plan informational requirements of
32 subdivisions (b) and (c).

33 SEC. 2. Section 10631.5 of the Water Code is amended to read:

34 10631.5. (a) (1) Beginning January 1, 2009, the terms of, and
35 eligibility for, a water management grant or loan made to an urban
36 water supplier and awarded or administered by the department,
37 state board, or California Bay-Delta Authority or its successor
38 agency shall be conditioned on the implementation of the water
39 demand management measures described in Section 10631, as
40 determined by the department pursuant to subdivision (b).

AB 1465

— 8 —

1 (2) For the purposes of this section, water management grants
2 and loans include funding for programs and projects for surface
3 water or groundwater storage, recycling, desalination, water
4 conservation, water supply reliability, and water supply
5 augmentation. This funding includes, but is not limited to, funds
6 made available pursuant to Section 75026 of the Public Resources
7 Code.

8 (3) Notwithstanding paragraph (1), the department shall
9 determine that an urban water supplier is eligible for a water
10 management grant or loan even though the supplier is not
11 implementing all of the water demand management measures
12 described in Section 10631, if the urban water supplier has
13 submitted to the department for approval a schedule, financing
14 plan, and budget, to be included in the grant or loan agreement,
15 for implementation of the water demand management measures.
16 The supplier may request grant or loan funds to implement the
17 water demand management measures to the extent the request is
18 consistent with the eligibility requirements applicable to the water
19 management funds.

20 (4) (A) Notwithstanding paragraph (1), the department shall
21 determine that an urban water supplier is eligible for a water
22 management grant or loan even though the supplier is not
23 implementing all of the water demand management measures
24 described in Section 10631, if an urban water supplier submits to
25 the department for approval documentation demonstrating that a
26 ~~water demand management measure is not locally cost effective.~~
27 ~~If the department determines that the documentation submitted by~~
28 ~~the urban water supplier fails to demonstrate that a water demand~~
29 ~~management measure is not locally cost effective~~ *the supplier's*
30 *proposed water demand management measures provide a level of*
31 *water savings that is equivalent to the savings provided by the*
32 *implementation of the water demand management measures listed*
33 *in Section 10631, that a water demand management measure is*
34 *not cost effective, or that the supplier lacks the authority to*
35 *implement one or more of those water demand management*
36 *measures. If the department determines that the documentation*
37 *submitted by the urban water supplier fails to meet these criteria,*
38 the department shall notify the urban water supplier and the agency
39 administering the grant or loan program within 120 days that the
40 documentation does not satisfy the requirements for an exemption,

1 and include in that notification a detailed statement to support the
2 determination.

3 (B) For purposes of this paragraph, “not locally cost effective”
4 means that the present value of the local benefits of implementing
5 a water demand management measure is less than the present value
6 of the local costs of implementing that measure.

7 (b) (1) The department, in consultation with the state board and
8 the California Bay-Delta Authority or its successor agency, and
9 after soliciting public comment regarding eligibility requirements,
10 shall develop eligibility requirements to implement the requirement
11 of paragraph (1) of subdivision (a). In establishing these eligibility
12 requirements, the department shall do both of the following:

13 (A) Consider the conservation measures described in the
14 Memorandum of Understanding Regarding Urban Water
15 Conservation in California, and alternative conservation approaches
16 that provide equal or greater water savings.

17 (B) Recognize the different legal, technical, fiscal, and practical
18 roles and responsibilities of wholesale water suppliers and retail
19 water suppliers.

20 (2) (A) For the purposes of this section, the department shall
21 determine whether an urban water supplier is implementing all of
22 the water demand management measures described in Section
23 10631 based on either, or a combination, of the following:

24 (i) Compliance on an individual basis.

25 (ii) Compliance on a regional basis. Regional compliance shall
26 require participation in a regional conservation program consisting
27 of two or more urban water suppliers that achieves the level of
28 conservation or water efficiency savings equivalent to the amount
29 of conservation or savings achieved if each of the participating
30 urban water suppliers implemented the water demand management
31 measures. The urban water supplier administering the regional
32 program shall provide participating urban water suppliers and the
33 department with data to demonstrate that the regional program is
34 consistent with this clause. The department shall review the data
35 to determine whether the urban water suppliers in the regional
36 program are meeting the eligibility requirements.

37 (B) The department may require additional information for any
38 determination pursuant to this section.

39 (3) The department shall not deny eligibility to an urban water
40 supplier in compliance with the requirements of this section that

AB 1465

1 is participating in a multiagency water project, or an integrated
2 regional water management plan, developed pursuant to Section
3 75026 of the Public Resources Code, solely on the basis that one
4 or more of the agencies participating in the project or plan is not
5 implementing all of the water demand management measures
6 described in Section 10631.

7 (c) In establishing guidelines pursuant to the specific funding
8 authorization for any water management grant or loan program
9 subject to this section, the agency administering the grant or loan
10 program shall include in the guidelines the eligibility requirements
11 developed by the department pursuant to subdivision (b).

12 (d) Upon receipt of a water management grant or loan
13 application by an agency administering a grant and loan program
14 subject to this section, the agency shall request an eligibility
15 determination from the department with respect to the requirements
16 of this section. The department shall respond to the request within
17 60 days of the request.

18 (e) The urban water supplier may submit to the department
19 copies of its annual reports and other relevant documents to assist
20 the department in determining whether the urban water supplier
21 is implementing or scheduling the implementation of water demand
22 management activities. In addition, for urban water suppliers that
23 are signatories to the Memorandum of Understanding Regarding
24 Urban Water Conservation in California and submit biennial reports
25 to the California Urban Water Conservation Council in accordance
26 with the memorandum, the department may use these reports to
27 assist in tracking the implementation of water demand management
28 measures.

29 SEC. 3. Section 10633 of the Water Code is amended to read:

30 10633. The plan shall provide, to the extent available,
31 information on recycled water and its potential for use as a water
32 source in the service area of the urban water supplier. The
33 preparation of the plan shall be coordinated with local water,
34 wastewater, groundwater, and planning agencies that operate within
35 the supplier's service area, and shall include all of the following:

36 (a) A description of the wastewater collection and treatment
37 systems in the supplier's service area, including a quantification
38 of the amount of wastewater collected and treated and the methods
39 of wastewater disposal.

1 (b) A description of the quantity of treated wastewater that meets
2 recycled water standards, is being discharged, and is otherwise
3 available for use in a recycled water project.

4 (c) A description of the recycled water currently being used in
5 the supplier’s service area, including, but not limited to, the type,
6 place, and quantity of use.

7 (d) A description and quantification of the potential uses of
8 recycled water, including, but not limited to, agricultural irrigation,
9 landscape irrigation, wildlife habitat enhancement, wetlands,
10 industrial reuse, ~~groundwater recharge~~ *indirect potable reuse*, and
11 other appropriate uses, and a determination with regard to the
12 technical and economic feasibility of serving those uses.

13 (e) The projected use of recycled water within the supplier’s
14 service area at the end of 5, 10, 15, and 20 years, and a description
15 of the actual use of recycled water in comparison to uses previously
16 projected pursuant to this subdivision.

17 (f) A description of actions, including financial incentives, which
18 may be taken to encourage the use of recycled water, and the
19 projected results of these actions in terms of acre-feet of recycled
20 water used per year.

21 (g) A plan for optimizing the use of recycled water in the
22 supplier’s service area, including actions to facilitate the installation
23 of dual distribution systems, to promote recirculating uses, to
24 facilitate the increased use of treated wastewater that meets
25 recycled water standards, and to overcome any obstacles to
26 achieving that increased use.



Metropolitan Water District of Southern California

POLICY PRINCIPLE ON WATER CONSERVATION

Policy Adopted: Support urban retrofit actions that effectively reduce water use by:

- Providing cost-effective financial incentives to improve water use efficiency.
- Developing collaborative program partnerships that leverage limited financial resources to maximize collateral water savings benefits such as reduced energy demand and wastewater treatment needs, improved pollution control, and other synergistic benefits that improve program effectiveness.
- Supporting favorable tax relief for installation of water-efficient fixtures, both income tax on the rebate received and sales tax on the equipment purchased.
- Assisting the pursuit of better data collection and processing so as to be able to objectively measure program progress, and identify new savings opportunities.

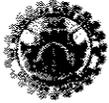
Policy Adopted: Support equitable wholesaler and retailer agency responsibilities in implementing cost-effective Water Conservation Best Management Practices (BMPs) within Metropolitan's service area, as well as statewide, through the following actions:

- Encouraging voluntary incentives above mandatory requirements.
- Removing state and local barriers to BMP implementation (i.e. archaic plumbing code constraints, home owner association requirements for turf).
- Statewide public disclosure of agency conservation practices and accomplishments.
- Developing objective standards for water conservation certification as part of a balanced CALFED solution.

Policy Adopted: Support legislation, regulations and voluntary programs that promote improved water use efficiency in the following areas:

- Construction of water efficient buildings and communities.
- State and federal financial assistance to:
 - Evaluate new technologies and their implementation via new programs.
 - Increase the public's awareness of the need for water use efficiency.
 - New product water efficiency standards.
- Implementation and enforcement of ordinances governing:
 - Water waste.
 - Retrofit of toilets and showerheads to efficient models upon the resale of real property.
 - Statewide installation and reading of water meters and customer billing based on recorded usage.
 - State and federal efforts and financial assistance to integrate the water use efficiency message into existing and future energy efficiency public outreach.

Policy Adopted: Provide leadership in advancing new or untapped water conservation practices and technology by taking the following actions:



Metropolitan Water District of Southern California

- Participating in professional associations, including the California Urban Water Conservation Council (CUWCC) and supporting member agencies' CUWCC dues.
- Identifying, assessing and introducing new innovative technologies.
- Working with manufacturers and their representatives to improve the water efficiency of their processes and facilities.
- Participating with citizen/stakeholder groups to advance new ideas in water conservation.
- Encouraging research and development of promising devices and activities.
- Establishing objective measurements of water savings, cost of programs and devices.
- Encouraging and educating the public to adopt beneficial water use efficiency practices.

Policy Adopted: Require water efficiency plans for all new annexation proposals to Metropolitan.

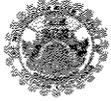
Policy Adopted: Support improved irrigation efficiency by the following means:

- Create a new public ethic that embraces native plants and other water efficient landscapes.
- Encourage the availability of native plants and other water efficient landscapes in the marketplace and green industry service sector.
- Promote the expanded and efficient use of recycled water for irrigation.
- Encourage landscape irrigation device manufacturers to develop and market more efficient equipment.
- Support local efforts to increase on-site water retention and reduce runoff.

Policy Adopted: Support increased agricultural water use efficiency by:

- Supporting studies and actions to improve agricultural water use efficiency.
- Supporting development of irrigation timing strategies to reduce peak demand on water supply systems.
- Supporting implementation of water-use audits for agricultural irrigation.

M.I. 39936 - November 10, 1992; "Landscaping" issue removed and "Repeal of Federal Water Efficiency Standards" added by M.I. 42820 - February 10, 1998. [Best Management Practices (BMP) replaced by CALFED Water Use Efficiency policy principle] January 10, 2000 – Staff revision: This policy principle dates from 1992. There are no current federal legislative efforts by the National Wildlife Federation regarding urban water best management practices and integrated resource planning. Should this debate re-emerge, staff would propose an updated legislative policy principle. M.I. 45208 - February 2003, Adopted new Principles.



Metropolitan Water District of Southern California

POLICY PRINCIPLE ON

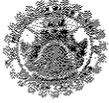
WATER RECYCLING

Issue: Promote water recycling and to guide staff regarding regulatory and legislative review with respect to financing, resource management, institutional arrangements, regulatory flexibility and public awareness.

Policy Adopted:

- Support federal and state regulatory and legislative proposals to develop new financing for water recycling consistent with the following objectives:
 - Increased water recycling in California and the Colorado River Basin.
 - Research leading to advances in science and technology, health effects assessments, facility and regional planning, desalting and innovative demonstration projects.
 - Streamlining administrative procedures for state low interest-rate loans and federal grants for projects and research.
- Support legislation and regulations that protect or improve the quality of wastewater and source water supplies from constituent concentrations that are adverse to recycled water use.
- Support legislation that encourages voluntary cooperation and partnership among involved agencies to foster workable strategies for recycled water project implementation.
- Support continuous review, appropriate revision and streamlining of water recycling regulations and uniform administration consistent with experience gained in operations, public health and environmental protection.
- Support legislation and regulations that serve to increase public education and awareness of water recycling, its benefits and safety.
- Support legislation and regulations that expand the types of recycled water uses consistent with protection of public health.

M.I. 42287 - February 11, 1997; 6th bullet point added by M.I. 42820 - February 10, 1998.



Metropolitan Water District of Southern California

POLICY PRINCIPLE ON

GLOBAL CLIMATE CHANGE AND WATER RESOURCES PLANNING

Issue: Global Climate Change and Water Resources Planning.

According to recent national reports, global climate change has the potential for far-reaching impacts to water resources and quality, including sea level rise that could threaten Delta water quality, changes to precipitation patterns and snow melt that could affect the timing of runoff, and an increase in the frequency and intensity of extreme wet and dry periods. The potential risks of global climate change to water resources, though uncertain, justify further research into the issue and justify implementation of flexible, multiple-benefit 'no-regret' solutions such as those already being developed under Metropolitan's Integrated Resource Plan (IRP). 'No-regret' solutions provide water supply and quality benefits now, while increasing the ability to manage potential climate change impacts if they occur. Examples of multiple benefit solutions found in the IRP include non-structural programs such as conservation, and structural programs such as groundwater conjunctive use, recycling and the Inland Feeder, which improves Metropolitan's capabilities to receive and store more water during wet or high run-off periods.

Policy Adopted: Metropolitan 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, Metropolitan supports reasonable, economically viable, and technologically feasible management strategies and efforts for reducing the potential impacts of global climate change to water resources.

M.I. 44813 - March 12, 2002.