



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

4/11/2017 Board Meeting

8-8

Subject

Adopt CEQA determination and express support for AB 1654 (Rubio D-Baldwin Park) – Shortage: Urban Water Management Planning

Executive Summary

AB 1654 by Assembly Member Blanca Rubio ([Attachment 1](#)) proposes to require each urban retail water supplier to conduct an annual water shortage contingency analysis and implement certain actions and reporting when a water shortage is determined. AB 1654 also proposes changes to the Urban Water Management Planning Act, which would require urban water suppliers, as part of their five-year water supply planning and reporting, to include a detailed description of their water shortage contingency analysis, related actions, and monitoring processes.

Details

The Urban Water Management Planning Act (Act) currently requires urban water suppliers, including wholesalers and retailers, to submit Urban Water Management Plans (UWMPs) to the state every five years. Urban water supplier means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. Because of the severe impacts of the recent drought conditions in California, the Governor issued Executive Order B-37-16, which included a call for improved water shortage contingency plans from urban water suppliers. The State, through public and stakeholder processes convened by the California Department of Food and Agriculture, Department of Water Resources (DWR), and State Water Resources Control Board, developed recommendations for a shortage contingency planning framework and reporting process. This bill would put into effect requirements that are consistent with the recommended framework.

With respect to the new requirements for annual water shortage contingency analyses, the bill specifically:

- Requires that urban retail water suppliers report annually, by June 15, on the status of their water supplies for that year and whether such supplies will be adequate to meet projected customer demand;
- Requires urban retail water suppliers whose annual report shows that all available water supplies for that year will not be adequate to meet projected customer demand, to implement appropriate responses as described in their water shortage contingency analysis. The annual report must also describe the water supply shortage stage and the measures that the supplier will take to reduce water demand consistent with its water shortage contingency analysis;
- Requires urban retail water suppliers whose annual report shows that all available water supplies for that year will not be adequate to meet projected customer demand, to continue implementation of mandatory demand reduction measures until conditions improve to the point where the supplier finds that it can meet projected customer demand over the next twelve months. During the period that an urban retail water supplier is implementing mandatory demand management reduction measures, the supplier must file a report with DWR by the fifteenth day of each month describing how the supplier is implementing its plan;

- Allows multiple urban retail water suppliers within the same hydrologic region to file joint reports; and
- Requires urban wholesale water suppliers to provide their retail agencies with information on the status of the wholesaler's water supplies annually and requires urban water retailers to provide their wholesalers with their estimated annual demand for water.

The bill also makes changes to the Act as it pertains to UWMP reporting. Notably, the bill would make certain changes to the current five-year reporting requirements and require a detailed description of an urban water supplier's water shortage contingency actions, implementation measures, monitoring, and compliance processes.

The changes to the five-year reporting requirements include:

- Changes to the required submission dates for updates to an UWMP from at least once every five years in years ending in five and zero to at least once every five years in years ending in one and six, and changes the update date to July 1. This is, in effect, a six-month extension from the previous submission date and allows urban water suppliers to update their plans with complete sets of five-year data and reduces the need to estimate the first year of data;
- Addition of a requirement to describe and distinguish emergency supplies and their intended uses;
- Changes to the requirement for reliability planning, altering the current "multiple dry water years" to "five consecutive dry years, consisting of a repeat of the five consecutive historic driest years that the supplier has experienced, unless the supplier finds that a shorter multiple-year dry period would more severely impact its water supplies, in which case the supplier shall use that shorter period." This requirement would also apply to the required long term reliability assessments, which are done in five-year increments for the next 20 year period;
- Addition of a requirement to quantify potable distribution system loss;
- Removal of terms stating that compliance with the California Urban Water Conservation Council "Memorandum of Understanding Regarding Urban Water Conservation in California" is deemed to be compliance with the Act, and removal of the requirement for the State to convene a technical panel to provide information and recommendations to the legislature on new demand management measures, technologies, and approaches; and
- The addition of new requirements for the inclusion of an urban water shortage contingency analysis that includes:
 - Anticipated stages of action to be taken in response to water supply shortages, including up to a 50 percent reduction in water supply and an outline of specific water supply conditions that would trigger each stage;
 - Communications strategies to inform customers, state agencies, elected officials, and others whenever stages of action are required;
 - Anticipated actions to prepare for and implement during a catastrophic interruption of water supplies;
 - Anticipated mandatory prohibitions against specific water use practices during water shortages;
 - Anticipated actions to balance water supply and demand for each water supply shortage stage including the use of emergency supplies, demand reduction methods, and reoperation;
 - Anticipated processes or monitoring and ensuring compliance by customers and discouraging excessive water use;
 - An analysis of revenue and expenditure impacts and proposed measures to overcome those impacts; and
 - A description of the water supplier's source of authority for implementing water shortage actions.

Effect on Metropolitan

Metropolitan is both an urban water supplier and an urban wholesale water supplier as defined in existing law. The changes to the five-year reporting requirements for UWMPs would apply to Metropolitan. As an urban wholesale water supplier, Metropolitan would be required to coordinate with its member agencies and provide annual information to support the annual reporting requirements for urban retail water suppliers.

Staff recommends support for AB 1654 as the changes to the Act would help clarify the adequacy of water supply reliability investments and shortage contingency actions available to urban retail water suppliers in future droughts and shortage conditions. This would allow for future State actions in water supply emergencies to be coordinated with the specific conditions pertaining to urban retail water suppliers and their customers.

The Association of California Water Agencies is in support of AB 1654. There is no registered opposition.

Policy

Metropolitan is required by law to meet the requirements of the Urban Water Management Planning Act, California Water Code Division 6, Part 2.6, Sections 10608.36 and 10610 through 10656.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1

The proposed action is not defined as a project under CEQA because it involves legislative proposals that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (CEQA Section 15378(b)(1) and Section 21065 of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project under CEQA pursuant to CEQA Section 15378(b)(1) as well as Section 21065 of the State CEQA Guidelines.

CEQA determination for Option #2

None required.

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not subject to CEQA and

Authorize the General Manager to support AB 1654.

Fiscal Impact: None

Business Analysis: Metropolitan is required by law to prepare its Urban Water Management Plan every five years.

Option #2

Take no position on AB 1654

Fiscal Impact: None

Business Analysis: None

Staff Recommendation

Option #1



Dee Zinke 3/27/2017
Assistant General Manager/Chief External Date
Affairs Officer



Jeffrey Kightlinger 3/20/2017
General Manager Date

Attachment 1 – Assembly Bill 1654, as amended 3/28/17

Ref# ea12657306

AMENDED IN ASSEMBLY MARCH 28, 2017

CALIFORNIA LEGISLATURE—2017—18 REGULAR SESSION

ASSEMBLY BILL**No. 1654**

Introduced by Assembly Member ~~Cooper~~ Rubio

February 17, 2017

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

LEGISLATIVE COUNSEL'S DIGEST

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

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

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

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

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

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

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

3

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

This bill would delete these provisions.

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

This bill would revise the elements included within an analysis.

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

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

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

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

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

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

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

3
4 *PART 2.56. URBAN WATER MANAGEMENT DEMAND*
5 *REDUCTION MEASURES*

6
7 *10609. The following definitions govern the construction of*
8 *this part:*

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

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

14 *(c) "Urban water supplier" has the meaning provided in Section*
15 *10617.*

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

18 *10609.5 (a) In addition to and separate from the urban water*
19 *management plans required pursuant to Part 2.6 (commencing*
20 *with Section 10610), by June 15 of each year an urban retail water*
21 *supplier shall report to the department the status of its water*
22 *supplies for that year and whether the supplies will be adequate*
23 *to meet projected customer demand.*

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

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

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

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

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

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

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

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

6

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

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

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

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

17 10613.5. "Emergency supply" means a water supply identified
18 in the urban water management plan of an urban water supplier
19 that has been developed to increase an urban water supplier's
20 water supply reliability during times of shortage, including, but
21 not limited to, unplanned service disruptions, and is in addition
22 to the water supplies that the agency draws upon during
23 nonshortage times to meet water demands within its service area.

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

25 10621. (a) Each urban water supplier shall update its plan at
26 least once every five years on or before ~~December 31~~, July 1, in
27 years ending in ~~five and zero~~, except as provided in subdivisions
28 ~~(d) and (e)~~: one and six.

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

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

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

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

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

6 10631. A plan shall be adopted in accordance with this chapter
7 that shall do all of the following:

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

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

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

21 (1)

22 (A) A copy of any groundwater management plan adopted by
23 the urban water supplier, including plans adopted pursuant to Part
24 2.75 (commencing with Section 10750), or any other specific
25 authorization for groundwater management.

26 (2)

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

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1 ~~(3)~~

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

7 ~~(4)~~

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

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

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

22 (A) An average water year.

23 (B) A single-dry water year.

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

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

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

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

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

- 1 among water use sectors, including, but not necessarily limited to,
2 all of the following uses:
- 3 (A) Single-family residential.
 - 4 (B) Multifamily.
 - 5 (C) Commercial.
 - 6 (D) Industrial.
 - 7 (E) Institutional and governmental.
 - 8 (F) Landscape.
 - 9 (G) Sales to other agencies.
 - 10 (H) Saline water intrusion barriers, groundwater recharge, or
 - 11 conjunctive use, or any combination thereof.
 - 12 (I) Agricultural.
 - 13 (J) ~~Distribution~~ *Potable distribution* system water loss.
- 14 (2) The water use projections shall be in the same five-year
15 increments described in subdivision (a).
- 16 (3) (A) ~~For the 2015 urban water management plan update, the~~
17 ~~distribution system water loss shall be quantified for the most~~
18 ~~recent 12-month period available. For all subsequent updates, the~~
19 *The potable* distribution system water loss shall be quantified for
20 each of the five years preceding the plan update.
- 21 (B) The *potable* distribution system water loss quantification
22 shall be reported in accordance with a worksheet approved or
23 developed by the department through a public process. The water
24 loss quantification worksheet shall be based on the water system
25 balance methodology developed by the American Water Works
26 Association.
- 27 (4) (A) If available and applicable to an urban water supplier,
28 water use projections may display and account for the water savings
29 estimated to result from adopted codes, standards, ordinances, or
30 transportation and land use plans identified by the urban water
31 supplier, as applicable to the service area.
- 32 (B) To the extent that an urban water supplier reports the
33 information described in subparagraph (A), an urban water supplier
34 shall do both of the following:
- 35 (i) Provide citations of the various codes, standards, ordinances,
36 or transportation and land use plans utilized in making the
37 projections.
 - 38 (ii) Indicate the extent that the water use projections consider
39 savings from codes, standards, ordinances, or transportation and

10

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

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

6 (1) (A) For an urban retail water supplier, as defined in Section
7 10608.12, a narrative description that addresses the nature and
8 extent of each water demand management measure implemented
9 over the past five years. The narrative shall describe the water
10 demand management measures that the supplier plans to implement
11 to achieve its water use targets pursuant to Section 10608.20.

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

14 (i) Water waste prevention ordinances.

15 (ii) Metering.

16 (iii) Conservation pricing.

17 (iv) Public education and outreach.

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

20 (vi) Water conservation program coordination and staffing
21 support.

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

25 (2) For an urban wholesale water supplier, as defined in Section
26 10608.12, a narrative description of the items in clauses (ii), (iv),
27 (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative
28 description of its distribution system asset management and
29 wholesale supplier assistance programs.

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

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

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

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

14 ~~(j)~~

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

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

30 ~~10631.7. The department, in consultation with the California~~
31 ~~Urban Water Conservation Council, shall convene an independent~~
32 ~~technical panel to provide information and recommendations to~~
33 ~~the department and the Legislature on new demand management~~
34 ~~measures, technologies, and approaches. The panel shall consist~~
35 ~~of no more than seven members, who shall be selected by the~~
36 ~~department to reflect a balanced representation of experts. The~~
37 ~~panel shall have at least one, but no more than two, representatives~~
38 ~~from each of the following: retail water suppliers, environmental~~
39 ~~organizations, the business community, wholesale water suppliers,~~
40 ~~and academia. The panel shall be convened by January 1, 2009,~~

12

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

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

7 10632. (a) The plan shall provide an urban water shortage
8 contingency analysis that includes each of the following elements
9 that are within the authority of the urban water supplier:

10 ~~(1) Stages~~

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

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

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

23 ~~(3) Actions~~

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

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

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

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

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

13

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

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

24 ~~(7)~~

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

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

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

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

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

14

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

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

4 10635. (a) Every urban water supplier shall include, as part
5 of its urban water management plan, an assessment of the reliability
6 of its water service to its customers during normal, dry, and
7 multiple dry water years. This water supply and demand assessment
8 shall compare the total water supply sources available to the water
9 supplier with the total projected water use over the next 20 years,
10 in five-year increments, for a normal water year, a single dry water
11 year, ~~and multiple dry water years.~~ *and, in accordance with*
12 *subparagraph (C) of paragraph (1) of subdivision (c) of Section*
13 *10631, five consecutive dry years or a shorter multiple-year dry*
14 *period.* The water service reliability assessment shall be based
15 upon the information compiled pursuant to Section 10631,
16 including available data from state, regional, or local agency
17 population projections within the service area of the urban water
18 supplier.

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

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

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

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

31 *10658. (a) It is the intent of the Legislature in enacting this*
32 *section to do all of the following:*

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

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

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

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

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

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

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

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

19 10608. The Legislature finds and declares all of the following:

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

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

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

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

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

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

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

16

- 1 ~~(h) The factors used to formulate water use efficiency targets~~
2 ~~can vary significantly from location to location based on factors~~
3 ~~including weather, patterns of urban and suburban development,~~
4 ~~and past efforts to enhance water use efficiency.~~
- 5 ~~(i) Per capita water use is a valid measure of a water provider's~~
6 ~~efforts to reduce urban water use within its service area. However,~~
7 ~~per capita water use is less useful for measuring relative water use~~
8 ~~efficiency between different water providers. Differences in~~
9 ~~weather, historical patterns of urban and suburban development,~~
10 ~~and density of housing in a particular location need to be~~
11 ~~considered when assessing per capita water use as a measure of~~
12 ~~efficiency.~~