

SB X7 1 (Steinberg) – October 23, 2009
Delta & Water Reform Legislation
SUMMARY: Urban and Agricultural Water Conservation

SUMMARY: Requires state to achieve 20% reduction in urban per capita water use by December 31, 2020, requires agricultural water management plans and efficient water management practices for agricultural water suppliers, and promotes expanded development of sustainable water supplies at the regional level. Specifically, this part of SB X7 1:

- 1) Establishes statewide urban water conservation target of 10% by 2015, and 20% by 2020.
- 2) Establishes processes for urban water suppliers to meet the conservation targets:
 - a) Requires urban retail water suppliers, individually or on a regional basis, to develop an urban water use target by July 1, 2011;
 - b) Provides 4 methodologies for urban water suppliers to choose from to set and achieve their water use target:
 - i) 20% reduction in baseline daily per capita use, or
 - ii) Combination of efficiency standards for residential indoor use [55 gallons per capita daily (gpcd)]; residential outdoor use (Model Water Efficient Landscape Ordinance); and commercial, industrial, and institutional (CII) use (10 % reduction); or,
 - iii) 5% reduction in the Department of Water Resources (DWR) regional targets; or
 - iv) A method to be developed by DWR by December 31, 2010.
 - c) Requires minimum 5 % reduction in base water use by 2020 for all urban water suppliers.
 - d) Allows recycled water to count toward meeting urban supplier's water use target if recycled water offsets potable water demands.
 - e) Allows urban suppliers to consider certain differences in their local conditions when determining compliance.
 - f) Requires urban water suppliers to hold public hearings to allow for community input on the supplier's implementation plan for meeting their water use target, and requires the implementation to avoid placing a disproportionate burden on any customer sector.
 - g) Conditions eligibility for water management grants and loans on an urban water supplier's compliance with meeting the requirements established by the bill.
- 3) Prohibits urban suppliers from requiring changes that reduce process water – defined in the bill as water used in production of a product – and allows urban water supplier to exclude process water from the development of the urban water target if substantial amount of its water deliveries are for industrial use.

- 4) Requires DWR review and reporting on urban water management plans and report to the Legislature by 2016 on progress in meeting the 20% statewide target, including recommendations on changes to the standards or targets in order to achieve the 20% target.
- 5) Creates a CII Task Force to develop best management practices (BMPs), assess the potential for statewide water savings if the BMPs are implemented, and report to the Legislature.
- 6) Re-establishes agricultural water management planning program.
 - a) Defines "agricultural water supplier" as one that delivers water to 10,000 or more of irrigated acres, excluding recycled water, but exempts suppliers serving less than 25,000 irrigated areas unless funding is provided to the supplier for those purposes.
 - b) Requires development and implementation of agricultural water management plans, with specified components by 2012, with 5-year updates.
 - c) Requires DWR to review plans and report to the Legislature on status and effectiveness.
 - d) Requires two "critical" efficient agricultural water management practices (*EWMP*) -- measurement and pricing-- and only if locally cost-effective for 14 additional practices.
 - e) Conditions eligibility for water management grants and loans on an agricultural water suppliers' compliance with meeting the requirements for implementation of efficient water management practices.
 - f) Establishes agricultural water supplier reporting requirements on agricultural efficient water management practices.
- 7) Requires DWR to promote implementation of regional water resource management practices through increased incentives/removal of barriers and specifies potential changes.
- 8) Requires DWR, in consultation with SWRCB, to develop or update statewide targets as to recycled water, brackish groundwater desalination, and urban stormwater runoff.

COMMENTS

Changes from SB 68: Since Assembly Water, Parks and Wildlife (WP&W) Committee heard SB 68 (regular session version of this bill) on September 11, this bill changes the water conservation provisions to:

- 1) Protect existing rights to water resulting from conservation efforts:
 - Clarify protection provided by Water Code Section 1011 for conserved water through the agricultural water use efficiency measures specified by the bill.
 - Refers to use of information on an urban retail water supplier's failure to meet per capita targets in administrative proceedings, with a blank as to such use, but providing that underlying data may be used in such proceedings or litigation.
- 2) Expand provisions relating to "process water"
 - Amend Water Code Section 375 (allowing agencies to limit water in emergencies) to be consistent with protections on process water included in Section 10608.26(d)(1).
 - Amend process water protections to apply only to existing customers as of January 1, 2010 the date the bill would become effective.
 - Amend Section 10608.20(h) to require DWR to develop regulations related to process water requirements.
- 3) Add a 4th for an urban water supplier to develop an urban water use target (§10608.20). The 4th option is a method to be developed by DWR by December 31, 2010 that would consider differences in local land use patterns and climate.

- 4) Amend Section 10608.26 to expand the list of Health and Safety conditions that will not be impacted by the water conservation requirements.
- 5) Amend Section 10608.28 to authorize a regional water management group to meet the conservation requirements of the bill if an urban water supplier provides written consent.
- 6) Amend Section 10608.43 to require the CII task force to prepare their report to the Legislature in conjunction with the Department of Water Resource.
- 7) Agricultural water amendments:
 - Amend Section 10608.48 (b) (1) to delete requirement that the measurement EWMP be implemented sufficient to adopt volumetric pricing.
 - Amend Section 101608.48(h) to delete the department authority to update the mandated critical BMPs related to measurement and pricing without future legislative action.
 - Amend Section 10608.64 to clarify that the department's report on proposed methodologies for quantifying agricultural water use efficiency does not provide authority for the department to implement the methodologies.

Urban Water Conservation: This bill would establish a statewide target to reduce urban per capita water use by 20 percent by 2020. This target is consistent with the Governor's February 2008 proposal. The Delta Vision Strategic Plan also recommended legislation requiring "Urban water purveyors to implement measures to achieve a 20 percent reduction in urban per capita water use statewide throughout California by December 31, 2020." This bill would require urban retail water suppliers, individually or on a regional basis, to develop an urban water use target by December 31, 2010, would require each urban water supplier to meet their target by 2020, and to meet an interim target (half of their 2020 target) by 2015.

Flexibility. This bill provides options for how water agencies can achieve higher levels of water conservation but requires those options to meet a per capita reduction in water use. The bill sets the "20 by 2020" target (and the interim 2015 target) for the entire state and then allows water agencies to choose one of four methods for determining their own water-use target for 2020. Water suppliers also can choose to join with a broader group of suppliers to meet the targets regionally. Finally the bill provides urban water suppliers with the option of shifting more water use to recycled water to meet their targets.

Commercial, Industrial and Institutional (CII) Water Management: This bill restricts urban water suppliers from imposing conservation requirements on process water. Other sections of the proposal address other CII concerns, including requiring urban water suppliers to avoid disproportionate impacts on any one sector and requiring an open transparent process for all water customers to review and provide input into the water supplier implementation plan. There are also no mandated conservation requirements or targets in the bill for CII.

Agricultural Water Management: For agriculture, this bill relies on implementation of efficient water management practices (EWMPs) for water use, which have been developed, at least in part, by the Agricultural Water Management Council (AWMC). The bill creates two EWMP categories: "critical" that all agricultural water suppliers (*i.e.* measurement and pricing structures) must implement and "additional" EWMPs that must be implemented if the measures are locally cost effective and technically feasible. The two mandatory EWMPs are already required of all federal water contractors (*e.g.* Westlands WD and Friant WA) since 1992 under the Central Valley Project Improvement Act (CVPIA).

Agricultural Water Management Plans: This bill reauthorizes dormant provisions of the Water Code that required agricultural water suppliers to prepare agricultural water management plans. This bill places agricultural water suppliers on an equal footing with urban suppliers who have been required to prepare and submit water management plans for approximately 15 years. This bill defines agricultural water suppliers as those with 10,000 acres of irrigated land, but exempts from the bill's requirements any supplier serving less than 25,000 of irrigated land if the state does not provide funding for implementation.

Sustainable Water Management: This bill requires DWR to develop incentives for sustainable water management and alternative water supplies such as brackish water desalination and stormwater recovery.

Summary Prepared by: Alf W. Brandt / W., P. & W. / (916) 319-2096