

AMENDED IN SENATE NOVEMBER 2, 2009

AMENDED IN SENATE OCTOBER 29, 2009

CALIFORNIA LEGISLATURE—2009—10 SEVENTH EXTRAORDINARY SESSION

SENATE BILL

No. 7

Introduced by Senator Steinberg

(Principal coauthors: Assembly Members Feuer and Huffman)

October 28, 2009



SBX7 7 2009

~~An act to amend and repeal Section 10631.5 of, to add Part 2.55 (commencing with Section 10608) to Division 6 of, and to repeal and add Part 2.8 (commencing with Section 10800) of Division 6 of, the Water Code, relating to water. An act to amend and repeal Section 10631.5 of, to add Part 2.55 (commencing with Section 10608) to Division 6 of, and to repeal and add Part 2.8 (commencing with Section 10800) of Division 6 of, the Water Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 7, as amended, Steinberg. Water conservation.

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

This bill would require the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. The state would be required to make incremental progress towards this goal by reducing per capita water use by at least 10% on or before December

31, 2015. The bill would require each urban retail water supplier to develop urban water use targets and an interim urban water use target, in accordance with specified requirements. The bill would require agricultural water suppliers to implement efficient water management practices. The bill would require the department, in consultation with other state agencies, to develop a single standardized water use reporting form. The bill, with certain exceptions, would provide that urban retail water suppliers, on and after July 1, 2016, and agricultural water suppliers, on and after July 1, 2013, are not eligible for state water grants or loans unless they comply with the water conservation requirements established by the bill. The bill would repeal, on July 1, 2016, an existing requirement that conditions eligibility for certain water management grants or loans to an urban water supplier on the implementation of certain water demand management measures.

(2) Existing law, until January 1, 1993, and thereafter only as specified, requires certain agricultural water suppliers to prepare and adopt water management plans.

This bill would revise existing law relating to agricultural water management planning to require agricultural water suppliers to prepare and adopt agricultural water management plans with specified components on or before December 31, 2012, and update those plans on or before December 31, 2015, and on or before December 31 every 5 years thereafter. An agricultural water supplier that becomes an agricultural water supplier after December 31, 2012, would be required to prepare and adopt an agricultural water management plan within one year after becoming an agricultural water supplier. The agricultural water supplier would be required to notify each city or county within which the supplier provides water supplies with regard to the preparation or review of the plan. The bill would require the agricultural water supplier to submit copies of the plan to the department and other specified entities. The bill would provide that an agricultural water supplier is not eligible for state water grants or loans unless the supplier complies with the water management planning requirements established by the bill.

(3) The bill would take effect only if SB 1, SB 5, and SB 7 of the 2009–10 Seventh Extraordinary Session of the Legislature are enacted and become effective.

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

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

1 SECTION 1. Part 2.55 (commencing with Section 10608) is
2 added to Division 6 of the Water Code, to read:

3
4 PART 2.55. SUSTAINABLE WATER USE AND DEMAND
5 REDUCTION

6
7 CHAPTER 1. GENERAL DECLARATIONS AND POLICY

8
9 10608. *The Legislature finds and declares all of the following:*

10 (a) *Water is a public resource that the California Constitution*
11 *protects against waste and unreasonable use.*

12 (b) *Growing population, climate change, and the need to protect*
13 *and grow California’s economy while protecting and restoring*
14 *our fish and wildlife habitats make it essential that the state*
15 *manage its water resources as efficiently as possible.*

16 (c) *Diverse regional water supply portfolios will increase water*
17 *supply reliability and reduce dependence on the Delta.*

18 (d) *Reduced water use through conservation provides significant*
19 *energy and environmental benefits, and can help protect water*
20 *quality, improve streamflows, and reduce greenhouse gas*
21 *emissions.*

22 (e) *The success of state and local water conservation programs*
23 *to increase efficiency of water use is best determined on the basis*
24 *of measurable outcomes related to water use or efficiency.*

25 (f) *Improvements in technology and management practices offer*
26 *the potential for increasing water efficiency in California over*
27 *time, providing an essential water management tool to meet the*
28 *need for water for urban, agricultural, and environmental uses.*

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

31 (h) *The factors used to formulate water use efficiency targets*
32 *can vary significantly from location to location based on factors*
33 *including weather, patterns of urban and suburban development,*
34 *and past efforts to enhance water use efficiency.*

35 (i) *Per capita water use is a valid measure of a water provider’s*
36 *efforts to reduce urban water use within its service area. However,*
37 *per capita water use is less useful for measuring relative water*
38 *use efficiency between different water providers. Differences in*

1 weather, historical patterns of urban and suburban development,
2 and density of housing in a particular location need to be
3 considered when assessing per capita water use as a measure of
4 efficiency.

5 10608.4. It is the intent of the Legislature, by the enactment of
6 this part, to do all of the following:

7 (a) Require all water suppliers to increase the efficiency of use
8 of this essential resource.

9 (b) Establish a framework to meet the state targets for urban
10 water conservation identified in this part and called for by the
11 Governor.

12 (c) Measure increased efficiency of urban water use on a per
13 capita basis.

14 (d) Establish a method or methods for urban retail water
15 suppliers to determine targets for achieving increased water use
16 efficiency by the year 2020, in accordance with the Governor's
17 goal of a 20-percent reduction.

18 (e) Establish consistent water use efficiency planning and
19 implementation standards for urban water suppliers and
20 agricultural water suppliers.

21 (f) Promote urban water conservation standards that are
22 consistent with the California Urban Water Conservation Council's
23 adopted best management practices and the requirements for
24 demand management in Section 10631.

25 (g) Establish standards that recognize and provide credit to
26 water suppliers that made substantial capital investments in urban
27 water conservation since the drought of the early 1990s.

28 (h) Recognize and account for the investment of urban retail
29 water suppliers in providing recycled water for beneficial uses.

30 (i) Require implementation of specified efficient water
31 management practices for agricultural water suppliers.

32 (j) Support the economic productivity of California's
33 agricultural, commercial, and industrial sectors.

34 (k) Advance regional water resources management.

35 10608.8. (a) (1) Water use efficiency measures adopted and
36 implemented pursuant to this part or Part 2.8 (commencing with
37 Section 10800) are water conservation measures subject to the
38 protections provided under Section 1011.

39 (2) Because an urban agency is not required to meet its urban
40 water use target until 2020 pursuant to subdivision (b) of Section

1 10608.24, an urban retail water supplier’s failure to meet those
2 targets shall not establish a violation of law for purposes of any
3 state administrative or judicial proceeding prior to January 1,
4 2021. Nothing in this paragraph limits the use of data reported to
5 the department or the board in litigation or an administrative
6 proceeding. This paragraph shall become inoperative on January
7 1, 2021.

8 (3) To the extent feasible, the department and the board shall
9 provide for the use of water conservation reports required under
10 this part to meet the requirements of Section 1011 for water
11 conservation reporting.

12 (b) This part does not limit or otherwise affect the application
13 of Chapter 3.5 (commencing with Section 11340), Chapter 4
14 (commencing with Section 11370), Chapter 4.5 (commencing with
15 Section 11400), and Chapter 5 (commencing with Section 11500)
16 of Part 1 of Division 3 of Title 2 of the Government Code.

17 (c) This part does not require a reduction in the total water used
18 in the agricultural or urban sectors, because other factors,
19 including, but not limited to, changes in agricultural economics
20 or population growth may have greater effects on water use. This
21 part does not limit the economic productivity of California’s
22 agricultural, commercial, or industrial sectors.

23 (d) The requirements of this part do not apply to an agricultural
24 water supplier that is a party to the Quantification Settlement
25 Agreement, as defined in subdivision (a) of Section 1 of Chapter
26 617 of the Statutes of 2002, during the period within which the
27 Quantification Settlement Agreement remains in effect. After the
28 expiration of the Quantification Settlement Agreement, to the extent
29 conservation water projects implemented as part of the
30 Quantification Settlement Agreement remain in effect, the
31 conserved water created as part of those projects shall be credited
32 against the obligations of the agricultural water supplier pursuant
33 to this part.

34
35 *CHAPTER 2. DEFINITIONS*

36
37 10608.12. Unless the context otherwise requires, the following
38 definitions govern the construction of this part:

39 (a) “Agricultural water supplier” means a water supplier, either
40 publicly or privately owned, providing water to 10,000 or more

1 irrigated acres, excluding recycled water. “Agricultural water
2 supplier” includes a supplier or contractor for water, regardless
3 of the basis of right, that distributes or sells water for ultimate
4 resale to customers. “Agricultural water supplier” does not include
5 the department.

6 (b) “Base daily per capita water use” means any of the
7 following:

8 (1) The urban retail water supplier’s estimate of its average
9 gross water use, reported in gallons per capita per day and
10 calculated over a continuous 10-year period ending no earlier
11 than December 31, 2004, and no later than December 31, 2010.

12 (2) For an urban retail water supplier that meets at least 10
13 percent of its 2008 measured retail water demand through recycled
14 water that is delivered within the service area of an urban retail
15 water supplier or its urban wholesale water supplier, the urban
16 retail water supplier may extend the calculation described in
17 paragraph (1) up to an additional five years to a maximum of a
18 continuous 15-year period ending no earlier than December 31,
19 2004, and no later than December 31, 2010.

20 (3) For the purposes of Section 10608.22, the urban retail water
21 supplier’s estimate of its average gross water use, reported in
22 gallons per capita per day and calculated over a continuous
23 five-year period ending no earlier than December 31, 2007, and
24 no later than December 31, 2010.

25 (c) “Baseline commercial, industrial, and institutional water
26 use” means an urban retail water supplier’s base daily per capita
27 water use for commercial, industrial, and institutional users.

28 (d) “Commercial water user” means a water user that provides
29 or distributes a product or service.

30 (e) “Compliance daily per capita water use” means the gross
31 water use during the final year of the reporting period, reported
32 in gallons per capita per day.

33 (f) “Disadvantaged community” means a community with an
34 annual median household income that is less than 80 percent of
35 the statewide annual median household income.

36 (g) “Gross water use” means the total volume of water, whether
37 treated or untreated, entering the distribution system of an urban
38 retail water supplier, excluding all of the following:

1 (1) Recycled water that is delivered within the service area of
2 an urban retail water supplier or its urban wholesale water
3 supplier.

4 (2) The net volume of water that the urban retail water supplier
5 places into long-term storage.

6 (3) The volume of water the urban retail water supplier conveys
7 for use by another urban water supplier.

8 (4) The volume of water delivered for agricultural use, except
9 as otherwise provided in subdivision (f) of Section 10608.24.

10 (h) “Industrial water user” means a water user that is primarily
11 a manufacturer or processor of materials as defined by the North
12 American Industry Classification System code sectors 31 to 33,
13 inclusive, or an entity that is a water user primarily engaged in
14 research and development.

15 (i) “Institutional water user” means a water user dedicated to
16 public service. This type of user includes, among other users,
17 higher education institutions, schools, courts, churches, hospitals,
18 government facilities, and nonprofit research institutions.

19 (j) “Interim urban water use target” means the midpoint
20 between the urban retail water supplier’s base daily per capita
21 water use and the urban retail water supplier’s urban water use
22 target for 2020.

23 (k) “Locally cost effective” means that the present value of the
24 local benefits of implementing an agricultural efficiency water
25 management practice is greater than or equal to the present value
26 of the local cost of implementing that measure.

27 (l) “Process water” means water used for producing a product
28 or product content or water used for research and development,
29 including, but not limited to, continuous manufacturing processes,
30 water used for testing and maintaining equipment used in
31 producing a product or product content, and water used in
32 combined heat and power facilities used in producing a product
33 or product content. Process water does not mean incidental water
34 uses not related to the production of a product or product content,
35 including, but not limited to, water used for restrooms,
36 landscaping, air conditioning, heating, kitchens, and laundry.

37 (m) “Recycled water” means recycled water, as defined in
38 subdivision (n) of Section 13050, that is used to offset potable
39 demand, including recycled water supplied for direct use and

1 indirect potable reuse, that meets the following requirements,
2 where applicable:

3 (1) For groundwater recharge, including recharge through
4 spreading basins, water supplies that are all of the following:

5 (A) Metered.

6 (B) Developed through planned investment by the urban water
7 supplier or a wastewater treatment agency.

8 (C) Treated to a minimum tertiary level.

9 (D) Delivered within the service area of an urban retail water
10 supplier or its urban wholesale water supplier that helps an urban
11 retail water supplier meet its urban water use target.

12 (2) For reservoir augmentation, water supplies that meet the
13 criteria of paragraph (1) and are conveyed through a distribution
14 system constructed specifically for recycled water.

15 (n) “Regional water resources management” means sources of
16 supply resulting from watershed-based planning for sustainable
17 local water reliability or any of the following alternative sources
18 of water:

19 (1) The capture and reuse of stormwater or rainwater.

20 (2) The use of recycled water.

21 (3) The desalination of brackish groundwater.

22 (4) The conjunctive use of surface water and groundwater in a
23 manner that is consistent with the safe yield of the groundwater
24 basin.

25 (o) “Reporting period” means the years for which an urban
26 retail water supplier reports compliance with the urban water use
27 targets.

28 (p) “Urban retail water supplier” means a water supplier, either
29 publicly or privately owned, that directly provides potable
30 municipal water to more than 3,000 end users or that supplies
31 more than 3,000 acre-feet of potable water annually at retail for
32 municipal purposes.

33 (q) “Urban water use target” means the urban retail water
34 supplier’s targeted future daily per capita water use.

35 (r) “Urban wholesale water supplier,” means a water supplier,
36 either publicly or privately owned, that provides more than 3,000
37 acre-feet of water annually at wholesale for potable municipal
38 purposes.

1 *CHAPTER 3. URBAN RETAIL WATER SUPPLIERS*

2
3 *10608.16. (a) The state shall achieve a 20-percent reduction*
4 *in urban per capita water use in California on or before December*
5 *31, 2020.*

6 *(b) The state shall make incremental progress towards the state*
7 *target specified in subdivision (a) by reducing urban per capita*
8 *water use by at least 10 percent on or before December 31, 2015.*

9 *10608.20. (a) (1) Each urban retail water supplier shall*
10 *develop urban water use targets and an interim urban water use*
11 *target by July 1, 2011. Urban retail water suppliers may elect to*
12 *determine and report progress toward achieving these targets on*
13 *an individual or regional basis, as provided in subdivision (a) of*
14 *Section 10608.28, and may determine the targets on a fiscal year*
15 *or calendar year basis.*

16 *(2) It is the intent of the Legislature that the urban water use*
17 *targets described in subdivision (a) cumulatively result in a*
18 *20-percent reduction from the baseline daily per capita water use*
19 *by December 31, 2020.*

20 *(b) An urban retail water supplier shall adopt one of the*
21 *following methods for determining its urban water use target*
22 *pursuant to subdivision (a):*

23 *(1) Eighty percent of the urban retail water supplier's baseline*
24 *per capita daily water use.*

25 *(2) The per capita daily water use that is estimated using the*
26 *sum of the following performance standards:*

27 *(A) For indoor residential water use, 55 gallons per capita daily*
28 *water use as a provisional standard. Upon completion of the*
29 *department's 2016 report to the Legislature pursuant to Section*
30 *10608.42, this standard may be adjusted by the Legislature by*
31 *statute.*

32 *(B) For landscape irrigated through dedicated or residential*
33 *meters or connections, water efficiency equivalent to the standards*
34 *of the Model Water Efficient Landscape Ordinance set forth in*
35 *Chapter 2.7 (commencing with Section 490) of Division 2 of Title*
36 *23 of the California Code of Regulations, as in effect the later of*
37 *the year of the landscape's installation or 1992. An urban retail*
38 *water supplier using the approach specified in this subparagraph*
39 *shall use satellite imagery, site visits, or other best available*
40 *technology to develop an accurate estimate of landscaped areas.*

1 (C) For commercial, industrial, and institutional uses, a
2 10-percent reduction in water use from the baseline commercial,
3 industrial, and institutional water use by 2020.

4 (3) Ninety-five percent of the applicable state hydrologic region
5 target, as set forth in the state's draft 20x2020 Water Conservation
6 Plan (dated April 30, 2009). If the service area of an urban water
7 supplier includes more than one hydrologic region, the supplier
8 shall apportion its service area to each region based on population
9 or area.

10 (4) A method that shall be identified and developed by the
11 department, through a public process, and reported to the
12 Legislature no later than December 31, 2010. The method
13 developed by the department shall identify per capita targets that
14 cumulatively result in a statewide 20 percent reduction in urban
15 daily per capita water use by December 31, 2020. In developing
16 urban daily per capita water use targets, the department shall do
17 all of the following:

18 (A) Consider climatic differences within the state.

19 (B) Consider population density differences within the state.

20 (C) Provide flexibility to communities and regions in meeting
21 the targets.

22 (D) Consider different levels of per capita water use according
23 to plant water needs in different regions.

24 (E) Consider different levels of commercial, industrial, and
25 institutional water use in different regions of the state.

26 (F) Avoid placing an undue hardship on communities that have
27 implemented conservation measures or taken actions to keep per
28 capita water use low.

29 (c) The department shall update the method described in
30 paragraph (4) of subdivision (b) and report to the Legislature by
31 December 31, 2014. An urban retail water supplier that adopted
32 the method described in paragraph (4) of subdivision (b) may
33 adopt a new urban daily per capita water use target pursuant to
34 this updated method.

35 (d) An urban retail water supplier shall include in its urban
36 water management plan required pursuant to Part 2.6
37 (commencing with Section 10610) due in 2010 the baseline daily
38 per capita water use, urban water use target, interim urban water
39 use target, and compliance daily per capita water use, along with

1 *the bases for determining those estimates, including references to*
2 *supporting data.*

3 *(e) When calculating per capita values for the purposes of this*
4 *chapter, an urban retail water supplier shall determine population*
5 *using federal, state, and local population reports and projections.*

6 *(f) An urban retail water supplier may update its 2020 urban*
7 *water use target in its 2015 urban water management plan required*
8 *pursuant to Part 2.6 (commencing with Section 10610).*

9 *(g) (1) The department, through a public process and in*
10 *consultation with the California Urban Water Conservation*
11 *Council, shall develop technical methodologies and criteria for*
12 *the consistent implementation of this part, including, but not limited*
13 *to, both of the following:*

14 *(A) Methodologies for calculating base daily per capita water*
15 *use, baseline commercial, industrial, and institutional water use,*
16 *compliance daily per capita water use, gross water use, service*
17 *area population, indoor residential water use, and landscaped*
18 *area water use.*

19 *(B) Criteria for adjustments pursuant to subdivisions (d) and*
20 *(e) of Section 10608.24.*

21 *(2) The department shall post the methodologies and criteria*
22 *developed pursuant to this subdivision on its Internet Web site,*
23 *and make written copies available, by October 1, 2010. An urban*
24 *retail water supplier shall use the methods developed by the*
25 *department in compliance with this part.*

26 *(h) (1) The department shall adopt regulations for*
27 *implementation of the provisions relating to process water in*
28 *accordance with subdivision (l) of Section 10608.12, subdivision*
29 *(e) of Section 10608.24, and subdivision (d) of Section 10608.26.*

30 *(2) The initial adoption of a regulation authorized by this*
31 *subdivision is deemed to address an emergency, for purposes of*
32 *Sections 11346.1 and 11349.6 of the Government Code, and the*
33 *department is hereby exempted for that purpose from the*
34 *requirements of subdivision (b) of Section 11346.1 of the*
35 *Government Code. After the initial adoption of an emergency*
36 *regulation pursuant to this subdivision, the department shall not*
37 *request approval from the Office of Administrative Law to readopt*
38 *the regulation as an emergency regulation pursuant to Section*
39 *11346.1 of the Government Code.*

1 (i) An urban retail water supplier shall be granted an extension
2 to July 1, 2011, for adoption of an urban water management plan
3 pursuant to Part 2.6 (commencing with Section 10610) due in 2010
4 to allow use of technical methodologies developed by the
5 department pursuant to paragraph (4) of subdivision (b) and
6 subdivision (g). An urban retail water supplier that adopts an
7 urban water management plan due in 2010 that does not use the
8 methodologies developed by the department pursuant to subdivision
9 (g) shall amend the plan by July 1, 2011, to comply with this part.

10 10608.22. Notwithstanding the method adopted by an urban
11 retail water supplier pursuant to Section 10608.20, an urban retail
12 water supplier's per capita daily water use reduction shall be no
13 less than 5 percent of base daily per capita water use as defined
14 in paragraph (3) of subdivision (b) of Section 10608.12. This
15 section does not apply to an urban retail water supplier with a
16 base daily per capita water use at or below 100 gallons per capita
17 per day.

18 10608.24. (a) Each urban retail water supplier shall meet its
19 interim urban water use target by December 31, 2015.

20 (b) Each urban retail water supplier shall meet its urban water
21 use target by December 31, 2020.

22 (c) An urban retail water supplier's compliance daily per capita
23 water use shall be the measure of progress toward achievement
24 of its urban water use target.

25 (d) (1) When determining compliance daily per capita water
26 use, an urban retail water supplier may consider the following
27 factors:

28 (A) Differences in evapotranspiration and rainfall in the baseline
29 period compared to the compliance reporting period.

30 (B) Substantial changes to commercial or industrial water use
31 resulting from increased business output and economic
32 development that have occurred during the reporting period.

33 (C) Substantial changes to institutional water use resulting from
34 fire suppression services or other extraordinary events, or from
35 new or expanded operations, that have occurred during the
36 reporting period.

37 (2) If the urban retail water supplier elects to adjust its estimate
38 of compliance daily per capita water use due to one or more of
39 the factors described in paragraph (1), it shall provide the basis

1 *for, and data supporting, the adjustment in the report required by*
2 *Section 10608.40.*

3 *(e) When developing the urban water use target pursuant to*
4 *Section 10608.20, an urban retail water supplier that has a*
5 *substantial percentage of industrial water use in its service area,*
6 *may exclude process water from the calculation of gross water*
7 *use to avoid a disproportionate burden on another customer sector.*

8 *(f) (1) An urban retail water supplier that includes agricultural*
9 *water use in an urban water management plan pursuant to Part*
10 *2.6 (commencing with Section 10610) may include the agricultural*
11 *water use in determining gross water use. An urban retail water*
12 *supplier that includes agricultural water use in determining gross*
13 *water use and develops its urban water use target pursuant to*
14 *paragraph (2) of subdivision (b) of Section 10608.20 shall use a*
15 *water efficient standard for agricultural irrigation of 100 percent*
16 *of reference evapotranspiration multiplied by the crop coefficient*
17 *for irrigated acres.*

18 *(2) An urban retail water supplier, that is also an agricultural*
19 *water supplier, is not subject to the requirements of Chapter 4*
20 *(commencing with Section 10608.48), if the agricultural water use*
21 *is incorporated into its urban water use target pursuant to*
22 *paragraph (1).*

23 *10608.26. (a) In complying with this part, an urban retail*
24 *water supplier shall conduct at least one public hearing to*
25 *accomplish all of the following:*

26 *(1) Allow community input regarding the urban retail water*
27 *supplier's implementation plan for complying with this part.*

28 *(2) Consider the economic impacts of the urban retail water*
29 *supplier's implementation plan for complying with this part.*

30 *(3) Adopt a method, pursuant to subdivision (b) of Section*
31 *10608.20, for determining its urban water use target.*

32 *(b) In complying with this part, an urban retail water supplier*
33 *may meet its urban water use target through efficiency*
34 *improvements in any combination among its customer sectors. An*
35 *urban retail water supplier shall avoid placing a disproportionate*
36 *burden on any customer sector.*

37 *(c) For an urban retail water supplier that supplies water to a*
38 *United States Department of Defense military installation, the*
39 *urban retail water supplier's implementation plan for complying*
40 *with this part shall consider the United States Department of*

1 *Defense military installation's requirements under federal*
2 *Executive Order 13423.*

3 *(d) (1) Any ordinance or resolution adopted by an urban retail*
4 *water supplier after the effective date of this section shall not*
5 *require existing customers as of the effective date of this section,*
6 *to undertake changes in product formulation, operations, or*
7 *equipment that would reduce process water use, but may provide*
8 *technical assistance and financial incentives to those customers*
9 *to implement efficiency measures for process water. This section*
10 *shall not limit an ordinance or resolution adopted pursuant to a*
11 *declaration of drought emergency by an urban retail water*
12 *supplier.*

13 *(2) This part shall not be construed or enforced so as to interfere*
14 *with the requirements of Chapter 4 (commencing with Section*
15 *113980) to Chapter 13 (commencing with Section 114380),*
16 *inclusive, of Part 7 of Division 104 of the Health and Safety Code,*
17 *or any requirement or standard for the protection of public health,*
18 *public safety, or worker safety established by federal, state, or*
19 *local government or recommended by recognized standard setting*
20 *organizations or trade associations.*

21 *10608.28. (a) An urban retail water supplier may meet its*
22 *urban water use target within its retail service area, or through*
23 *mutual agreement, by any of the following:*

24 *(1) Through an urban wholesale water supplier.*

25 *(2) Through a regional agency authorized to plan and implement*
26 *water conservation, including, but not limited to, an agency*
27 *established under the Bay Area Water Supply and Conservation*
28 *Agency Act (Division 31 (commencing with Section 81300)).*

29 *(3) Through a regional water management group as defined in*
30 *Section 10537.*

31 *(4) By an integrated regional water management funding area.*

32 *(5) By hydrologic region.*

33 *(6) Through other appropriate geographic scales for which*
34 *computation methods have been developed by the department.*

35 *(b) A regional water management group, with the written*
36 *consent of its member agencies, may undertake any or all planning,*
37 *reporting, and implementation functions under this chapter for*
38 *the member agencies that consent to those activities. Any data or*
39 *reports shall provide information both for the regional water*

1 *management group and separately for each consenting urban*
2 *retail water supplier and urban wholesale water supplier.*

3 *10608.32. All costs incurred pursuant to this part by a water*
4 *utility regulated by the Public Utilities Commission may be*
5 *recoverable in rates subject to review and approval by the Public*
6 *Utilities Commission, and may be recorded in a memorandum*
7 *account and reviewed for reasonableness by the Public Utilities*
8 *Commission.*

9 *10608.36. Urban wholesale water suppliers shall include in*
10 *the urban water management plans required pursuant to Part 2.6*
11 *(commencing with Section 10610) an assessment of their present*
12 *and proposed future measures, programs, and policies to help*
13 *achieve the water use reductions required by this part.*

14 *10608.40. Urban water retail suppliers shall report to the*
15 *department on their progress in meeting their urban water use*
16 *targets as part of their urban water management plans submitted*
17 *pursuant to Section 10631. The data shall be reported using a*
18 *standardized form developed pursuant to Section 10608.52.*

19 *10608.42. The department shall review the 2015 urban water*
20 *management plans and report to the Legislature by December 31,*
21 *2016, on progress towards achieving a 20-percent reduction in*
22 *urban water use by December 31, 2020. The report shall include*
23 *recommendations on changes to water efficiency standards or*
24 *urban water use targets in order to achieve the 20-percent*
25 *reduction and to reflect updated efficiency information and*
26 *technology changes.*

27 *10608.43. The department, in conjunction with the California*
28 *Urban Water Conservation Council, by April 1, 2010, shall*
29 *convene a representative task force consisting of academic experts,*
30 *urban retail water suppliers, environmental organizations,*
31 *commercial water users, industrial water users, and institutional*
32 *water users to develop alternative best management practices for*
33 *commercial, industrial, and institutional users and an assessment*
34 *of the potential statewide water use efficiency improvement in the*
35 *commercial, industrial, and institutional sectors that would result*
36 *from implementation of these best management practices. The*
37 *taskforce, in conjunction with the department, shall submit a report*
38 *to the Legislature by April 1, 2012, that shall include a review of*
39 *multiple sectors within commercial, industrial, and institutional*
40 *users and that shall recommend water use efficiency standards for*

1 commercial, industrial, and institutional users among various
2 sectors of water use. The report shall include, but not be limited
3 to, the following:

4 (a) Appropriate metrics for evaluating commercial, industrial,
5 and institutional water use.

6 (b) Evaluation of water demands for manufacturing processes,
7 goods, and cooling.

8 (c) Evaluation of public infrastructure necessary for delivery
9 of recycled water to the commercial, industrial, and institutional
10 sectors.

11 (d) Evaluation of institutional and economic barriers to
12 increased recycled water use within the commercial, industrial,
13 and institutional sectors.

14 (e) Identification of technical feasibility and cost of the best
15 management practices to achieve more efficient water use statewide
16 in the commercial, industrial, and institutional sectors that is
17 consistent with the public interest and reflects past investments in
18 water use efficiency.

19 10608.44. Each state agency shall reduce water use on facilities
20 it operates to support urban retail water suppliers in meeting the
21 target identified in Section 10608.16.

22

23 CHAPTER 4. AGRICULTURAL WATER SUPPLIERS

24

25 10608.48. (a) On or before July 31, 2012, an agricultural
26 water supplier shall implement efficient water management
27 practices pursuant to subdivisions (b) and (c).

28 (b) Agricultural water suppliers shall implement all of the
29 following critical efficient management practices:

30 (1) Measure the volume of water delivered to customers with
31 sufficient accuracy to comply with subdivision (a) of Section 531.10
32 and to implement volumetric pricing pursuant to paragraph (2).

33 (2) Adopt a pricing structure for water customers based at least
34 in part on quantity delivered.

35 (c) Agricultural water suppliers shall implement additional
36 efficient management practices, including, but not limited to,
37 practices to accomplish all of the following, if the measures are
38 locally cost effective and technically feasible:

- 1 (1) Facilitate alternative land use for lands with exceptionally
2 high water duties or whose irrigation contributes to significant
3 problems, including drainage.
- 4 (2) Facilitate use of available recycled water that otherwise
5 would not be used beneficially, meets all health and safety criteria,
6 and does not harm crops or soils.
- 7 (3) Facilitate the financing of capital improvements for on-farm
8 irrigation systems.
- 9 (4) Implement an incentive pricing structure that promotes one
10 or more of the following goals:
 - 11 (A) More efficient water use at the farm level.
 - 12 (B) Conjunctive use of groundwater.
 - 13 (C) Appropriate increase of groundwater recharge.
 - 14 (D) Reduction in problem drainage.
 - 15 (E) Improved management of environmental resources.
 - 16 (F) Effective management of all water sources throughout the
17 year by adjusting seasonal pricing structures based on current
18 conditions.
- 19 (5) Expand line or pipe distribution systems, and construct
20 regulatory reservoirs to increase distribution system flexibility
21 and capacity, decrease maintenance, and reduce seepage.
- 22 (6) Increase flexibility in water ordering by, and delivery to,
23 water customers within operational limits.
- 24 (7) Construct and operate supplier spill and tailwater recovery
25 systems.
- 26 (8) Increase planned conjunctive use of surface water and
27 groundwater within the supplier service area.
- 28 (9) Automate canal control structures.
- 29 (10) Facilitate or promote customer pump testing and
30 evaluation.
- 31 (11) Designate a water conservation coordinator who will
32 develop and implement the water management plan and prepare
33 progress reports.
- 34 (12) Provide for the availability of water management services
35 to water users. These services may include, but are not limited to,
36 all of the following:
 - 37 (A) On-farm irrigation and drainage system evaluations.
 - 38 (B) Normal year and real-time irrigation scheduling and crop
39 evapotranspiration information.

1 (C) Surface water, groundwater, and drainage water quantity
2 and quality data.

3 (D) Agricultural water management educational programs and
4 materials for farmers, staff, and the public.

5 (13) Evaluate the policies of agencies that provide the supplier
6 with water to identify the potential for institutional changes to
7 allow more flexible water deliveries and storage.

8 (14) Evaluate and improve the efficiencies of the supplier's
9 pumps.

10 (d) Agricultural water suppliers shall include in the agricultural
11 water management plans required pursuant to Part 2.8
12 (commencing with Section 10800) a report on which efficient water
13 management practices have been implemented and are planned
14 to be implemented, an estimate of the water use efficiency
15 improvements that have occurred since the last report, and an
16 estimate of the water use efficiency improvements estimated to
17 occur five and 10 years in the future. If an agricultural water
18 supplier determines that an efficient water management practice
19 is not locally cost effective or technically feasible, the supplier
20 shall submit information documenting that determination.

21 (e) The data shall be reported using a standardized form
22 developed pursuant to Section 10608.52.

23 (f) An agricultural water supplier may meet the requirements
24 of subdivisions (d) and (e) by submitting to the department a water
25 conservation plan submitted to the United States Bureau of
26 Reclamation that meets the requirements described in Section
27 10828.

28 (g) On or before December 31, 2013, December 31, 2016, and
29 December 31, 2021, the department, in consultation with the board,
30 shall submit to the Legislature a report on the agricultural efficient
31 water management practices that have been implemented and are
32 planned to be implemented and an assessment of the manner in
33 which the implementation of those efficient water management
34 practices has affected and will affect agricultural operations,
35 including estimated water use efficiency improvements, if any.

36 (h) The department may update the efficient water management
37 practices required pursuant to subdivision (c), in consultation with
38 the Agricultural Water Management Council, the United States
39 Bureau of Reclamation, and the board. All efficient water
40 management practices for agricultural water use pursuant to this

1 chapter shall be adopted or revised by the department only after
2 the department conducts public hearings to allow participation of
3 the diverse geographical areas and interests of the state.

4 (i) (1) The department shall adopt regulations that provide for
5 a range of options that agricultural water suppliers may use or
6 implement to comply with the measurement requirement in
7 paragraph (1) of subdivision (b).

8 (2) The initial adoption of a regulation authorized by this
9 subdivision is deemed to address an emergency, for purposes of
10 Sections 11346.1 and 11349.6 of the Government Code, and the
11 department is hereby exempted for that purpose from the
12 requirements of subdivision (b) of Section 11346.1 of the
13 Government Code. After the initial adoption of an emergency
14 regulation pursuant to this subdivision, the department shall not
15 request approval from the Office of Administrative Law to readopt
16 the regulation as an emergency regulation pursuant to Section
17 11346.1 of the Government Code.

18
19 *CHAPTER 5. SUSTAINABLE WATER MANAGEMENT*

20
21 10608.50. (a) The department, in consultation with the board,
22 shall promote implementation of regional water resources
23 management practices through increased incentives and removal
24 of barriers consistent with state and federal law. Potential changes
25 may include, but are not limited to, all of the following:

26 (1) Revisions to the requirements for urban and agricultural
27 water management plans.

28 (2) Revisions to the requirements for integrated regional water
29 management plans.

30 (3) Revisions to the eligibility for state water management grants
31 and loans.

32 (4) Revisions to state or local permitting requirements that
33 increase water supply opportunities, but do not weaken water
34 quality protection under state and federal law.

35 (5) Increased funding for research, feasibility studies, and
36 project construction.

37 (6) Expanding technical and educational support for local land
38 use and water management agencies.

39 (b) No later than January 1, 2011, and updated as part of the
40 California Water Plan, the department, in consultation with the

1 board, and with public input, shall propose new statewide targets,
 2 or review and update existing statewide targets, for regional water
 3 resources management practices, including, but not limited to,
 4 recycled water, brackish groundwater desalination, and infiltration
 5 and direct use of urban stormwater runoff.

6
 7 *CHAPTER 6. STANDARDIZED DATA COLLECTION*

8
 9 10608.52. (a) The department, in consultation with the board,
 10 the California Bay-Delta Authority or its successor agency, the
 11 State Department of Public Health, and the Public Utilities
 12 Commission, shall develop a single standardized water use
 13 reporting form to meet the water use information needs of each
 14 agency, including the needs of urban water suppliers that elect to
 15 determine and report progress toward achieving targets on a
 16 regional basis as provided in subdivision (a) of Section 10608.28.

17 (b) At a minimum, the form shall be developed to accommodate
 18 information sufficient to assess an urban water supplier's
 19 compliance with conservation targets pursuant to Section 10608.24
 20 and an agricultural water supplier's compliance with
 21 implementation of efficient water management practices pursuant
 22 to subdivision (a) of Section 10608.48. The form shall
 23 accommodate reporting by urban water suppliers on an individual
 24 or regional basis as provided in subdivision (a) of Section
 25 10608.28.

26
 27 *CHAPTER 7. FUNDING PROVISIONS*

28
 29 10608.56. (a) On and after July 1, 2016, an urban retail water
 30 supplier is not eligible for a water grant or loan awarded or
 31 administered by the state unless the supplier complies with this
 32 part.

33 (b) On and after July 1, 2013, an agricultural water supplier is
 34 not eligible for a water grant or loan awarded or administered by
 35 the state unless the supplier complies with this part.

36 (c) Notwithstanding subdivision (a), the department shall
 37 determine that an urban retail water supplier is eligible for a water
 38 grant or loan even though the supplier has not met the per capita
 39 reductions required pursuant to Section 10608.24, if the urban
 40 retail water supplier has submitted to the department for approval

1 a schedule, financing plan, and budget, to be included in the grant
2 or loan agreement, for achieving the per capita reductions. The
3 supplier may request grant or loan funds to achieve the per capita
4 reductions to the extent the request is consistent with the eligibility
5 requirements applicable to the water funds.

6 (d) Notwithstanding subdivision (b), the department shall
7 determine that an agricultural water supplier is eligible for a water
8 grant or loan even though the supplier is not implementing all of
9 the efficient water management practices described in Section
10 10608.48, if the agricultural water supplier has submitted to the
11 department for approval a schedule, financing plan, and budget,
12 to be included in the grant or loan agreement, for implementation
13 of the efficient water management practices. The supplier may
14 request grant or loan funds to implement the efficient water
15 management practices to the extent the request is consistent with
16 the eligibility requirements applicable to the water funds.

17 (e) Notwithstanding subdivision (a), the department shall
18 determine that an urban retail water supplier is eligible for a water
19 grant or loan even though the supplier has not met the per capita
20 reductions required pursuant to Section 10608.24, if the urban
21 retail water supplier has submitted to the department for approval
22 documentation demonstrating that its entire service area qualifies
23 as a disadvantaged community.

24 (f) The department shall not deny eligibility to an urban retail
25 water supplier or agricultural water supplier in compliance with
26 the requirements of this part and Part 2.8 (commencing with
27 Section 10800), that is participating in a multiagency water project,
28 or an integrated regional water management plan, developed
29 pursuant to Section 75026 of the Public Resources Code, solely
30 on the basis that one or more of the agencies participating in the
31 project or plan is not implementing all of the requirements of this
32 part or Part 2.8 (commencing with Section 10800).

33 10608.60. (a) It is the intent of the Legislature that funds made
34 available by Section 75026 of the Public Resources Code should
35 be expended, consistent with Division 43 (commencing with Section
36 75001) of the Public Resources Code and upon appropriation by
37 the Legislature, for grants to implement this part. In the allocation
38 of funding, it is the intent of the Legislature that the department
39 give consideration to disadvantaged communities to assist in
40 implementing the requirements of this part.

1 (b) *It is the intent of the Legislature that funds made available*
 2 *by Section 75041 of the Public Resources Code, should be*
 3 *expended, consistent with Division 43 (commencing with Section*
 4 *75001) of the Public Resources Code and upon appropriation by*
 5 *the Legislature, for direct expenditures to implement this part.*

6
 7 *CHAPTER 8. QUANTIFYING AGRICULTURAL WATER USE*
 8 *EFFICIENCY*
 9

10 *10608.64. The department, in consultation with the Agricultural*
 11 *Water Management Council, academic experts, and other*
 12 *stakeholders, shall develop a methodology for quantifying the*
 13 *efficiency of agricultural water use. Alternatives to be assessed*
 14 *shall include, but not be limited to, determination of efficiency*
 15 *levels based on crop type or irrigation system distribution*
 16 *uniformity. On or before December 31, 2011, the department shall*
 17 *report to the Legislature on a proposed methodology and a plan*
 18 *for implementation. The plan shall include the estimated*
 19 *implementation costs and the types of data needed to support the*
 20 *methodology. Nothing in this section authorizes the department*
 21 *to implement a methodology established pursuant to this section.*

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

23 *10631.5. (a) (1) Beginning January 1, 2009, the terms of, and*
 24 *eligibility for, a water management grant or loan made to an urban*
 25 *water supplier and awarded or administered by the department,*
 26 *state board, or California Bay-Delta Authority or its successor*
 27 *agency shall be conditioned on the implementation of the water*
 28 *demand management measures described in Section 10631, as*
 29 *determined by the department pursuant to subdivision (b).*

30 *(2) For the purposes of this section, water management grants*
 31 *and loans include funding for programs and projects for surface*
 32 *water or groundwater storage, recycling, desalination, water*
 33 *conservation, water supply reliability, and water supply*
 34 *augmentation. This section does not apply to water management*
 35 *projects funded by the federal American Recovery and*
 36 *Reinvestment Act of 2009 (Public Law 111-5).*

37 *(3) Notwithstanding paragraph (1), the department shall*
 38 *determine that an urban water supplier is eligible for a water*
 39 *management grant or loan even though the supplier is not*
 40 *implementing all of the water demand management measures*

1 described in Section 10631, if the urban water supplier has
2 submitted to the department for approval a schedule, financing
3 plan, and budget, to be included in the grant or loan agreement,
4 for implementation of the water demand management measures.
5 The supplier may request grant or loan funds to implement the
6 water demand management measures to the extent the request is
7 consistent with the eligibility requirements applicable to the water
8 management funds.

9 (4) (A) Notwithstanding paragraph (1), the department shall
10 determine that an urban water supplier is eligible for a water
11 management grant or loan even though the supplier is not
12 implementing all of the water demand management measures
13 described in Section 10631, if an urban water supplier submits to
14 the department for approval documentation demonstrating that a
15 water demand management measure is not locally cost effective.
16 If the department determines that the documentation submitted by
17 the urban water supplier fails to demonstrate that a water demand
18 management measure is not locally cost effective, the department
19 shall notify the urban water supplier and the agency administering
20 the grant or loan program within 120 days that the documentation
21 does not satisfy the requirements for an exemption, and include
22 in that notification a detailed statement to support the
23 determination.

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

28 (b) (1) The department, in consultation with the state board and
29 the California Bay-Delta Authority or its successor agency, and
30 after soliciting public comment regarding eligibility requirements,
31 shall develop eligibility requirements to implement the requirement
32 of paragraph (1) of subdivision (a). In establishing these eligibility
33 requirements, the department shall do both of the following:

34 (A) Consider the conservation measures described in the
35 Memorandum of Understanding Regarding Urban Water
36 Conservation in California, and alternative conservation approaches
37 that provide equal or greater water savings.

38 (B) Recognize the different legal, technical, fiscal, and practical
39 roles and responsibilities of wholesale water suppliers and retail
40 water suppliers.

1 (2) (A) For the purposes of this section, the department shall
2 determine whether an urban water supplier is implementing all of
3 the water demand management measures described in Section
4 10631 based on either, or a combination, of the following:
5 (i) Compliance on an individual basis.
6 (ii) Compliance on a regional basis. Regional compliance shall
7 require participation in a regional conservation program consisting
8 of two or more urban water suppliers that achieves the level of
9 conservation or water efficiency savings equivalent to the amount
10 of conservation or savings achieved if each of the participating
11 urban water suppliers implemented the water demand management
12 measures. The urban water supplier administering the regional
13 program shall provide participating urban water suppliers and the
14 department with data to demonstrate that the regional program is
15 consistent with this clause. The department shall review the data
16 to determine whether the urban water suppliers in the regional
17 program are meeting the eligibility requirements.
18 (B) The department may require additional information for any
19 determination pursuant to this section.
20 (3) The department shall not deny eligibility to an urban water
21 supplier in compliance with the requirements of this section that
22 is participating in a multiagency water project, or an integrated
23 regional water management plan, developed pursuant to Section
24 75026 of the Public Resources Code, solely on the basis that one
25 or more of the agencies participating in the project or plan is not
26 implementing all of the water demand management measures
27 described in Section 10631.
28 (c) In establishing guidelines pursuant to the specific funding
29 authorization for any water management grant or loan program
30 subject to this section, the agency administering the grant or loan
31 program shall include in the guidelines the eligibility requirements
32 developed by the department pursuant to subdivision (b).
33 (d) Upon receipt of a water management grant or loan
34 application by an agency administering a grant and loan program
35 subject to this section, the agency shall request an eligibility
36 determination from the department with respect to the requirements
37 of this section. The department shall respond to the request within
38 60 days of the request.
39 (e) The urban water supplier may submit to the department
40 copies of its annual reports and other relevant documents to assist

1 the department in determining whether the urban water supplier
2 is implementing or scheduling the implementation of water demand
3 management activities. In addition, for urban water suppliers that
4 are signatories to the Memorandum of Understanding Regarding
5 Urban Water Conservation in California and submit biennial reports
6 to the California Urban Water Conservation Council in accordance
7 with the memorandum, the department may use these reports to
8 assist in tracking the implementation of water demand management
9 measures.

10 (f) *This section shall remain in effect only until July 1, 2016,*
11 *and as of that date is repealed, unless a later enacted statute, that*
12 *is enacted before July 1, 2016, deletes or extends that date.*

13 *SEC. 3. Part 2.8 (commencing with Section 10800) of Division*
14 *6 of the Water Code is repealed.*

15 *SEC. 4. Part 2.8 (commencing with Section 10800) is added*
16 *to Division 6 of the Water Code, to read:*

17
18 *PART 2.8. AGRICULTURAL WATER MANAGEMENT*
19 *PLANNING*

20
21 *CHAPTER 1. GENERAL DECLARATIONS AND POLICY*
22

23 *10800. This part shall be known and may be cited as the*
24 *Agricultural Water Management Planning Act.*

25 *10801. The Legislature finds and declares all of the following:*

26 (a) *The waters of the state are a limited and renewable resource.*

27 (b) *The California Constitution requires that water in the state*
28 *be used in a reasonable and beneficial manner.*

29 (c) *Urban water districts are required to adopt water*
30 *management plans.*

31 (d) *The conservation of agricultural water supplies is of great*
32 *statewide concern.*

33 (e) *There is a great amount of reuse of delivered water, both*
34 *inside and outside the water service areas.*

35 (f) *Significant noncrop beneficial uses are associated with*
36 *agricultural water use, including streamflows and wildlife habitat.*

37 (g) *Significant opportunities exist in some areas, through*
38 *improved irrigation water management, to conserve water or to*
39 *reduce the quantity of highly saline or toxic drainage water.*

1 (h) Changes in water management practices should be carefully
 2 planned and implemented to minimize adverse effects on other
 3 beneficial uses currently being served.

4 (i) Agricultural water suppliers that receive water from the
 5 federal Central Valley Project are required by federal law to
 6 prepare and implement water conservation plans.

7 (j) Agricultural water users applying for a permit to appropriate
 8 water from the board are required to prepare and implement water
 9 conservation plans.

10 10802. The Legislature finds and declares that all of the
 11 following are the policies of the state:

12 (a) The conservation of water shall be pursued actively to
 13 protect both the people of the state and the state's water resources.

14 (b) The conservation of agricultural water supplies shall be an
 15 important criterion in public decisions with regard to water.

16 (c) Agricultural water suppliers shall be required to prepare
 17 water management plans to achieve conservation of water.

18
 19 *CHAPTER 2. DEFINITIONS*

20
 21 10810. Unless the context otherwise requires, the definitions
 22 set forth in this chapter govern the construction of this part.

23 10811. "Agricultural water management plan" or "plan"
 24 means an agricultural water management plan prepared pursuant
 25 to this part.

26 10812. "Agricultural water supplier" has the same meaning
 27 as defined in Section 10608.12.

28 10813. "Customer" means a purchaser of water from a water
 29 supplier who uses water for agricultural purposes.

30 10814. "Person" means any individual, firm, association,
 31 organization, partnership, business, trust, corporation, company,
 32 public agency, or any agency of that entity.

33 10815. "Public agency" means any city, county, city and
 34 county, special district, or other public entity.

35 10816. "Urban water supplier" has the same meaning as set
 36 forth in Section 10617.

37 10817. "Water conservation" means the efficient management
 38 of water resources for beneficial uses, preventing waste, or
 39 accomplishing additional benefits with the same amount of water.

1 *CHAPTER 3. AGRICULTURAL WATER MANAGEMENT PLANS*

2
3 *Article 1. General Provisions*

4
5 10820. (a) *An agricultural water supplier shall prepare and*
6 *adopt an agricultural water management plan in the manner set*
7 *forth in this chapter on or before December 31, 2012, and shall*
8 *update that plan on December 31, 2015, and on or before*
9 *December 31 every five years thereafter.*

10 (b) *Every supplier that becomes an agricultural water supplier*
11 *after December 31, 2012, shall prepare and adopt an agricultural*
12 *water management plan within one year after the date it has*
13 *become an agricultural water supplier.*

14 (c) *A water supplier that indirectly provides water to customers*
15 *for agricultural purposes shall not prepare a plan pursuant to this*
16 *part without the consent of each agricultural water supplier that*
17 *directly provides that water to its customers.*

18 10821. (a) *An agricultural water supplier required to prepare*
19 *a plan pursuant to this part shall notify each city or county within*
20 *which the supplier provides water supplies that the agricultural*
21 *water supplier will be preparing the plan or reviewing the plan*
22 *and considering amendments or changes to the plan. The*
23 *agricultural water supplier may consult with, and obtain comments*
24 *from, each city or county that receives notice pursuant to this*
25 *subdivision.*

26 (b) *The amendments to, or changes in, the plan shall be adopted*
27 *and submitted in the manner set forth in Article 3 (commencing*
28 *with Section 10840).*

29
30 *Article 2. Contents of Plans*

31
32 10825. (a) *It is the intent of the Legislature in enacting this*
33 *part to allow levels of water management planning commensurate*
34 *with the numbers of customers served and the volume of water*
35 *supplied.*

36 (b) *This part does not require the implementation of water*
37 *conservation programs or practices that are not locally cost*
38 *effective.*

- 1 10826. An agricultural water management plan shall be
2 adopted in accordance with this chapter. The plan shall do all of
3 the following:
- 4 (a) Describe the agricultural water supplier and the service
5 area, including all of the following:
- 6 (1) Size of the service area.
7 (2) Location of the service area and its water management
8 facilities.
9 (3) Terrain and soils.
10 (4) Climate.
11 (5) Operating rules and regulations.
12 (6) Water delivery measurements or calculations.
13 (7) Water rate schedules and billing.
14 (8) Water shortage allocation policies.
- 15 (b) Describe the quantity and quality of water resources of the
16 agricultural water supplier, including all of the following:
- 17 (1) Surface water supply.
18 (2) Groundwater supply.
19 (3) Other water supplies.
20 (4) Source water quality monitoring practices.
21 (5) Water uses within the agricultural water supplier's service
22 area, including all of the following:
- 23 (A) Agricultural.
24 (B) Environmental.
25 (C) Recreational.
26 (D) Municipal and industrial.
27 (E) Groundwater recharge.
28 (F) Transfers and exchanges.
29 (G) Other water uses.
- 30 (6) Drainage from the water supplier's service area.
31 (7) Water accounting, including all of the following:
- 32 (A) Quantifying the water supplier's water supplies.
33 (B) Tabulating water uses.
34 (C) Overall water budget.
35 (8) Water supply reliability.
- 36 (c) Include an analysis, based on available information, of the
37 effect of climate change on future water supplies.
38 (d) Describe previous water management activities.
39 (e) Include in the plan the water use efficiency information
40 required pursuant to Section 10608.48.

1 10827. *Agricultural water suppliers that are members of the*
2 *Agricultural Water Management Council, and that submit water*
3 *management plans to that council in accordance with the*
4 *“Memorandum of Understanding Regarding Efficient Water*
5 *Management Practices By Agricultural Water Suppliers In*
6 *California,” dated January 1, 1999, may submit the water*
7 *management plans identifying water demand management*
8 *measures currently being implemented, or scheduled for*
9 *implementation, to satisfy the requirements of Section 10826.*

10 10828. (a) *Agricultural water suppliers that are required to*
11 *submit water conservation plans to the United States Bureau of*
12 *Reclamation pursuant to either the Central Valley Project*
13 *Improvement Act (Public Law 102-575) or the Reclamation Reform*
14 *Act of 1982, or both, may submit those water conservation plans*
15 *to satisfy the requirements of Section 10826, if both of the following*
16 *apply:*

17 (1) *The agricultural water supplier has adopted and submitted*
18 *the water conservation plan to the United States Bureau of*
19 *Reclamation within the previous four years.*

20 (2) *The United States Bureau of Reclamation has accepted the*
21 *water conservation plan as adequate.*

22 (b) *This part does not require agricultural water suppliers that*
23 *are required to submit water conservation plans to the United*
24 *States Bureau of Reclamation pursuant to either the Central Valley*
25 *Project Improvement Act (Public Law 102-575) or the Reclamation*
26 *Reform Act of 1982, or both, to prepare and adopt water*
27 *conservation plans according to a schedule that is different from*
28 *that required by the United States Bureau of Reclamation.*

29 10829. *An agricultural water supplier may satisfy the*
30 *requirements of this part by adopting an urban water management*
31 *plan pursuant to Part 2.6 (commencing with Section 10610) or by*
32 *participation in area wide, regional, watershed, or basinwide*
33 *water management planning if those plans meet or exceed the*
34 *requirements of this part.*

35
36 *Article 3. Adoption and Implementation of Plans*
37

38 10840. *Every agricultural water supplier shall prepare its plan*
39 *pursuant to Article 2 (commencing with Section 10825).*

1 10841. *Prior to adopting a plan, the agricultural water supplier*
2 *shall make the proposed plan available for public inspection, and*
3 *shall hold a public hearing on the plan. Prior to the hearing, notice*
4 *of the time and place of hearing shall be published within the*
5 *jurisdiction of the publicly owned agricultural water supplier*
6 *pursuant to Section 6066 of the Government Code. A privately*
7 *owned agricultural water supplier shall provide an equivalent*
8 *notice within its service area and shall provide a reasonably*
9 *equivalent opportunity that would otherwise be afforded through*
10 *a public hearing process for interested parties to provide input on*
11 *the plan. After the hearing, the plan shall be adopted as prepared*
12 *or as modified during or after the hearing.*

13 10842. *An agricultural water supplier shall implement the plan*
14 *adopted pursuant to this chapter in accordance with the schedule*
15 *set forth in its plan, as determined by the governing body of the*
16 *agricultural water supplier.*

17 10843. (a) *An agricultural water supplier shall submit to the*
18 *entities identified in subdivision (b) a copy of its plan no later than*
19 *30 days after the adoption of the plan. Copies of amendments or*
20 *changes to the plans shall be submitted to the entities identified*
21 *in subdivision (b) within 30 days after the adoption of the*
22 *amendments or changes.*

23 (b) *An agricultural water supplier shall submit a copy of its*
24 *plan and amendments or changes to the plan to each of the*
25 *following entities:*

26 (1) *The department.*

27 (2) *Any city, county, or city and county within which the*
28 *agricultural water supplier provides water supplies.*

29 (3) *Any groundwater management entity within which*
30 *jurisdiction the agricultural water supplier extracts or provides*
31 *water supplies.*

32 (4) *Any urban water supplier within which jurisdiction the*
33 *agricultural water supplier provides water supplies.*

34 (5) *Any city or county library within which jurisdiction the*
35 *agricultural water supplier provides water supplies.*

36 (6) *The California State Library.*

37 (7) *Any local agency formation commission serving a county*
38 *within which the agricultural water supplier provides water*
39 *supplies.*

1 10844. (a) Not later than 30 days after the date of adopting
2 its plan, the agricultural water supplier shall make the plan
3 available for public review on the agricultural water supplier's
4 Internet Web site.

5 (b) An agricultural water supplier that does not have an Internet
6 Web site shall submit to the department, not later than 30 days
7 after the date of adopting its plan, a copy of the adopted plan in
8 an electronic format. The department shall make the plan available
9 for public review on the department's Internet Web site.

10 10845. (a) The department shall prepare and submit to the
11 Legislature, on or before December 31, 2013, and thereafter in
12 the years ending in six and years ending in one, a report
13 summarizing the status of the plans adopted pursuant to this part.

14 (b) The report prepared by the department shall identify the
15 outstanding elements of any plan adopted pursuant to this part.
16 The report shall include an evaluation of the effectiveness of this
17 part in promoting efficient agricultural water management
18 practices and recommendations relating to proposed changes to
19 this part, as appropriate.

20 (c) The department shall provide a copy of the report to each
21 agricultural water supplier that has submitted its plan to the
22 department. The department shall also prepare reports and provide
23 data for any legislative hearing designed to consider the
24 effectiveness of plans submitted pursuant to this part.

25 (d) This section does not authorize the department, in preparing
26 the report, to approve, disapprove, or critique individual plans
27 submitted pursuant to this part.

28

29

CHAPTER 4. MISCELLANEOUS PROVISIONS

30

31 10850. (a) Any action or proceeding to attack, review, set
32 aside, void, or annul the acts or decisions of an agricultural water
33 supplier on the grounds of noncompliance with this part shall be
34 commenced as follows:

35 (1) An action or proceeding alleging failure to adopt a plan
36 shall be commenced within 18 months after that adoption is
37 required by this part.

38 (2) Any action or proceeding alleging that a plan, or action
39 taken pursuant to the plan, does not comply with this part shall
40 be commenced within 120 days after submitting the plan or

1 amendments to the plan to entities in accordance with Section
2 10844 or the taking of that action.

3 (b) In an action or proceeding to attack, review, set aside, void,
4 or annul a plan, or an action taken pursuant to the plan by an
5 agricultural water supplier, on the grounds of noncompliance with
6 this part, the inquiry shall extend only to whether there was a
7 prejudicial abuse of discretion. Abuse of discretion is established
8 if the agricultural water supplier has not proceeded in a manner
9 required by law, or if the action by the agricultural water supplier
10 is not supported by substantial evidence.

11 10851. The California Environmental Quality Act (Division
12 13 (commencing with Section 21000) of the Public Resources
13 Code) does not apply to the preparation and adoption of plans
14 pursuant to this part. This part does not exempt projects for
15 implementation of the plan or for expanded or additional water
16 supplies from the California Environmental Quality Act.

17 10852. An agricultural water supplier is not eligible for a water
18 grant or loan awarded or administered by the state unless the
19 supplier complies with this part.

20 10853. No agricultural water supplier that provides water to
21 less than 25,000 irrigated acres, excluding recycled water, shall
22 be required to implement the requirements of this part or Part
23 2.55 (commencing with Section 10608) unless sufficient funding
24 has specifically been provided to that water supplier for these
25 purposes.

26 SECTION 1. Part 2.55 (commencing with Section 10608) is
27 added to Division 6 of the Water Code, to read:

28

29 ~~PART 2.55. SUSTAINABLE WATER USE AND DEMAND~~
30 ~~REDUCTION~~

31

32 ~~CHAPTER 1. GENERAL DECLARATIONS AND POLICY~~

33

34 ~~10608. The Legislature finds and declares all of the following:~~

35 ~~(a) Water is a public resource that the California Constitution~~
36 ~~protects against waste and unreasonable use.~~

37 ~~(b) Growing population, climate change, and the need to protect~~
38 ~~and grow California's economy while protecting and restoring our~~
39 ~~fish and wildlife habitats make it essential that the state manage~~
40 ~~its water resources as efficiently as possible.~~

1 ~~(e) Diverse regional water supply portfolios will increase water~~
2 ~~supply reliability and reduce dependence on the Delta.~~

3 ~~(d) Reduced water use through conservation provides significant~~
4 ~~energy and environmental benefits, and can help protect water~~
5 ~~quality, improve streamflows, and reduce greenhouse gas~~
6 ~~emissions.~~

7 ~~(e) The success of state and local water conservation programs~~
8 ~~to increase efficiency of water use is best determined on the basis~~
9 ~~of measurable outcomes related to water use or efficiency.~~

10 ~~(f) Improvements in technology and management practices offer~~
11 ~~the potential for increasing water efficiency in California over~~
12 ~~time, providing an essential water management tool to meet the~~
13 ~~need for water for urban, agricultural, and environmental uses.~~

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

16 ~~(h) The factors used to formulate water use efficiency targets~~
17 ~~can vary significantly from location to location based on factors~~
18 ~~including weather, patterns of urban and suburban development,~~
19 ~~and past efforts to enhance water use efficiency.~~

20 ~~(i) Per capita water use is a valid measure of a water provider's~~
21 ~~efforts to reduce urban water use within its service area. However,~~
22 ~~per capita water use is less useful for measuring relative water use~~
23 ~~efficiency between different water providers. Differences in~~
24 ~~weather, historical patterns of urban and suburban development,~~
25 ~~and density of housing in a particular location need to be~~
26 ~~considered when assessing per capita water use as a measure of~~
27 ~~efficiency.~~

28 ~~10608.4. It is the intent of the Legislature, by the enactment~~
29 ~~of this part, to do all of the following:~~

30 ~~(a) Require all water suppliers to increase the efficiency of use~~
31 ~~of this essential resource.~~

32 ~~(b) Establish a framework to meet the state targets for urban~~
33 ~~water conservation identified in this part and called for by the~~
34 ~~Governor.~~

35 ~~(c) Measure increased efficiency of urban water use on a per~~
36 ~~capita basis.~~

37 ~~(d) Establish a method or methods for urban retail water~~
38 ~~suppliers to determine targets for achieving increased water use~~
39 ~~efficiency by the year 2020, in accordance with the Governor's~~
40 ~~goal of a 20-percent reduction.~~

1 ~~(e) Establish consistent water use efficiency planning and~~
2 ~~implementation standards for urban water suppliers and agricultural~~
3 ~~water suppliers.~~

4 ~~(f) Promote urban water conservation standards that are~~
5 ~~consistent with the California Urban Water Conservation Council's~~
6 ~~adopted best management practices and the requirements for~~
7 ~~demand management in Section 10631.~~

8 ~~(g) Establish standards that recognize and provide credit to water~~
9 ~~suppliers that made substantial capital investments in urban water~~
10 ~~conservation since the drought of the early 1990s.~~

11 ~~(h) Recognize and account for the investment of urban retail~~
12 ~~water suppliers in providing recycled water for beneficial uses.~~

13 ~~(i) Require implementation of specified efficient water~~
14 ~~management practices for agricultural water suppliers.~~

15 ~~(j) Support the economic productivity of California's~~
16 ~~agricultural, commercial, and industrial sectors.~~

17 ~~(k) Advance regional water resources management.~~

18 ~~10608.8. (a) (1) Water use efficiency measures adopted and~~
19 ~~implemented pursuant to this part or Part 2.8 (commencing with~~
20 ~~Section 10800) are water conservation measures subject to the~~
21 ~~protections provided under Section 1011.~~

22 ~~(2) Because an urban water supplier is not required to meet its~~
23 ~~urban water use target until December 31, 2020, pursuant to~~
24 ~~subdivision (b) of Section 10608.24, an urban water supplier's~~
25 ~~failure to meet those targets shall not establish a violation of law~~
26 ~~for purposes of any state administrative or judicial proceeding~~
27 ~~prior to January 1, 2021. This paragraph shall become inoperative~~
28 ~~on January 1, 2021.~~

29 ~~(3) To the extent feasible, the department and the board shall~~
30 ~~provide for the use of water conservation reports required under~~
31 ~~this part to meet the requirements of Section 1011 for water~~
32 ~~conservation reporting.~~

33 ~~(b) This part does not limit or otherwise affect the application~~
34 ~~of Chapter 3.5 (commencing with Section 11340), Chapter 4~~
35 ~~(commencing with Section 11370), Chapter 4.5 (commencing with~~
36 ~~Section 11400), and Chapter 5 (commencing with Section 11500)~~
37 ~~of Part 1 of Division 3 of Title 2 of the Government Code.~~

38 ~~(e) This part does not require a reduction in the total water used~~
39 ~~in the agricultural or urban sectors, because other factors, including,~~
40 ~~but not limited to, changes in agricultural economics or population~~

1 growth may have greater effects on water use. This part does not
2 limit the economic productivity of California’s agricultural,
3 commercial, or industrial sectors.

4 (d) The requirements of this part do not apply to an agricultural
5 water supplier that is a party to the Quantification Settlement
6 Agreement, as defined in subdivision (a) of Section 1 of Chapter
7 617 of the Statutes of 2002, during the period within which the
8 Quantification Settlement Agreement remains in effect. After the
9 expiration of the Quantification Settlement Agreement, to the
10 extent conservation water projects implemented as part of the
11 Quantification Settlement Agreement remain in effect, the
12 conserved water created as part of those projects shall be credited
13 against the obligations of the agricultural water supplier pursuant
14 to this part.

15
16 CHAPTER 2. DEFINITIONS

17
18 10608.12. Unless the context otherwise requires, the following
19 definitions govern the construction of this part:

20 (a) “Agricultural water supplier” means a water supplier, either
21 publicly or privately owned, providing water to 10,000 or more
22 irrigated acres, excluding recycled water. “Agricultural water
23 supplier” includes a supplier or contractor for water, regardless of
24 the basis of right, that distributes or sells water for ultimate resale
25 to customers.

26 (b) “Base daily per capita water use” means any of the
27 following:

28 (1) The urban retail water supplier’s estimate of its average
29 gross water use, reported in gallons per capita per day and
30 calculated over a continuous 10-year period ending no earlier than
31 December 31, 2004, and no later than December 31, 2010.

32 (2) For an urban retail water supplier that meets at least 10
33 percent of its 2008 measured retail water demand through recycled
34 water that is delivered within the service area of an urban retail
35 water supplier or its urban wholesale water supplier, the urban
36 retail water supplier may extend the calculation described in
37 paragraph (1) up to an additional five years to a maximum of a
38 continuous 15-year period ending no earlier than December 31,
39 2004, and no later than December 31, 2010.

- 1 ~~(3) For the purposes of Section 10608.22, the urban retail water~~
- 2 ~~supplier’s estimate of its average gross water use, reported in~~
- 3 ~~gallons per capita per day and calculated over a continuous~~
- 4 ~~five-year period ending no earlier than December 31, 2007, and~~
- 5 ~~no later than December 31, 2010.~~
- 6 ~~(e) “Baseline commercial, industrial, and institutional water~~
- 7 ~~use” means an urban retail water supplier’s base daily per capita~~
- 8 ~~water use for commercial, industrial, and institutional users.~~
- 9 ~~(d) “Commercial water user” means a water user that provides~~
- 10 ~~or distributes a product or service.~~
- 11 ~~(e) “Compliance daily per capita water use” means the gross~~
- 12 ~~water use during the final year of the reporting period, reported in~~
- 13 ~~gallons per capita per day.~~
- 14 ~~(f) “Disadvantaged community” means a community with an~~
- 15 ~~annual median household income that is less than 80 percent of~~
- 16 ~~the statewide annual median household income.~~
- 17 ~~(g) “Gross water use” means the total volume of water, whether~~
- 18 ~~treated or untreated, entering the distribution system of an urban~~
- 19 ~~retail water supplier, excluding all of the following:~~
- 20 ~~(1) Recycled water that is delivered within the service area of~~
- 21 ~~an urban retail water supplier or its urban wholesale water supplier.~~
- 22 ~~(2) The net volume of water that the urban retail water supplier~~
- 23 ~~places into long-term storage.~~
- 24 ~~(3) The volume of water the urban retail water supplier conveys~~
- 25 ~~for use by another urban water supplier.~~
- 26 ~~(4) The volume of water delivered for agricultural use, except~~
- 27 ~~as otherwise provided in subdivision (f) of Section 10608.24.~~
- 28 ~~(h) “Industrial water user” means a water user that is primarily~~
- 29 ~~a manufacturer or processor of materials as defined by the North~~
- 30 ~~American Industry Classification System code sectors 31 to 33,~~
- 31 ~~inclusive, or an entity that is a water user primarily engaged in~~
- 32 ~~research and development.~~
- 33 ~~(i) “Institutional water user” means a water user dedicated to~~
- 34 ~~public service. This type of user includes, among other users,~~
- 35 ~~higher education institutions, schools, courts, churches, hospitals,~~
- 36 ~~government facilities, and nonprofit research institutions.~~
- 37 ~~(j) “Interim urban water use target” means the midpoint between~~
- 38 ~~the urban retail water supplier’s base daily per capita water use~~
- 39 ~~and the urban retail water supplier’s urban water use target for~~
- 40 ~~2020.~~

1 ~~(k) “Locally cost effective” means that the present value of the~~
2 ~~local benefits of implementing an agricultural efficiency water~~
3 ~~management practice is greater than or equal to the present value~~
4 ~~of the local cost of implementing that measure.~~

5 ~~(l) “Process water” means water used for producing a product~~
6 ~~or product content or water used for research and development,~~
7 ~~including, but not limited to, continuous manufacturing processes;~~
8 ~~water used for testing and maintaining equipment used in producing~~
9 ~~a product or product content, and water used in combined heat and~~
10 ~~power facilities used in producing a product or product content.~~
11 ~~Process water does not mean incidental water uses not related to~~
12 ~~the production of a product or product content, including, but not~~
13 ~~limited to, water used for restrooms, landscaping, air conditioning,~~
14 ~~heating, kitchens, and laundry.~~

15 ~~(m) “Recycled water” means recycled water, as defined in~~
16 ~~subdivision (n) of Section 13050, that is used to offset potable~~
17 ~~demand, including recycled water supplied for direct use and~~
18 ~~indirect potable reuse, that meets the following requirements, where~~
19 ~~applicable:~~

20 ~~(1) For groundwater recharge, including recharge through~~
21 ~~spreading basins, water supplies that are all of the following:~~

22 ~~(A) Metered.~~

23 ~~(B) Developed through planned investment by the urban water~~
24 ~~supplier or a wastewater treatment agency.~~

25 ~~(C) Treated to a minimum tertiary level.~~

26 ~~(D) Delivered within the service area of an urban retail water~~
27 ~~supplier or its urban wholesale water supplier that helps an urban~~
28 ~~retail water supplier meet its urban water use target.~~

29 ~~(2) For reservoir augmentation, water supplies that meet the~~
30 ~~criteria of paragraph (1) and are conveyed through a distribution~~
31 ~~system constructed specifically for recycled water.~~

32 ~~(n) “Regional water resources management” means sources of~~
33 ~~supply resulting from watershed-based planning for sustainable~~
34 ~~local water reliability or any of the following alternative sources~~
35 ~~of water:~~

36 ~~(1) The capture and reuse of stormwater or rainwater.~~

37 ~~(2) The use of recycled water.~~

38 ~~(3) The desalination of brackish groundwater.~~

1 ~~(4) The conjunctive use of surface water and groundwater in a~~
 2 ~~manner that is consistent with the safe yield of the groundwater~~
 3 ~~basin.~~

4 ~~(o) “Reporting period” means the years for which an urban retail~~
 5 ~~water supplier reports compliance with the urban water use targets.~~

6 ~~(p) “Urban retail water supplier” means a water supplier, either~~
 7 ~~publicly or privately owned, that directly provides potable~~
 8 ~~municipal water to more than 3,000 end users or that supplies more~~
 9 ~~than 3,000 acre-feet of potable water annually at retail for~~
 10 ~~municipal purposes.~~

11 ~~(q) “Urban water use target” means the urban retail water~~
 12 ~~supplier’s targeted future daily per capita water use.~~

13 ~~(r) “Urban wholesale water supplier,” means a water supplier,~~
 14 ~~either publicly or privately owned, that provides more than 3,000~~
 15 ~~acre-feet of water annually at wholesale for potable municipal~~
 16 ~~purposes.~~

17
 18 ~~CHAPTER 3. URBAN RETAIL WATER SUPPLIERS~~
 19

20 ~~10608.16. (a) The state shall achieve a 20-percent reduction~~
 21 ~~in urban per capita water use in California on or before December~~
 22 ~~31, 2020.~~

23 ~~(b) The state shall make incremental progress towards the state~~
 24 ~~target specified in subdivision (a) by reducing urban per capita~~
 25 ~~water use by at least 10 percent on or before December 31, 2015.~~

26 ~~10608.20. (a) (1) Each urban retail water supplier shall~~
 27 ~~develop urban water use targets and an interim urban water use~~
 28 ~~target by July 1, 2011. Urban retail water suppliers may elect to~~
 29 ~~determine and report progress toward achieving these targets on~~
 30 ~~an individual or regional basis, as provided in subdivision (a) of~~
 31 ~~Section 10608.28, and may determine the targets on a fiscal year~~
 32 ~~or calendar year basis.~~

33 ~~(2) It is the intent of the Legislature that the urban water use~~
 34 ~~targets described in subdivision (a) cumulatively result in a~~
 35 ~~20-percent reduction from the baseline daily per capita water use~~
 36 ~~by December 31, 2020.~~

37 ~~(b) An urban retail water supplier shall adopt one of the~~
 38 ~~following methods for determining its urban water use target~~
 39 ~~pursuant to subdivision (a):~~

- 1 (1) Eighty percent of the urban retail water supplier's baseline
2 per capita daily water use.
- 3 (2) The per capita daily water use that is estimated using the
4 sum of the following performance standards:
- 5 (A) For indoor residential water use, 55 gallons per capita daily
6 water use as a provisional standard. Upon completion of the
7 department's 2016 report to the Legislature pursuant to Section
8 10608.42, this standard may be adjusted by the Legislature by
9 statute.
- 10 (B) For landscape irrigated through dedicated or residential
11 meters or connections, water efficiency equivalent to the standards
12 of the Model Water Efficient Landscape Ordinance set forth in
13 Chapter 2.7 (commencing with Section 490) of Division 2 of Title
14 23 of the California Code of Regulations, as in effect the later of
15 the year of the landscape's installation or 1992. An urban retail
16 water supplier using the approach specified in this subparagraph
17 shall use satellite imagery, site visits, or other best available
18 technology to develop an accurate estimate of landscaped areas.
- 19 (C) For commercial, industrial, and institutional uses, a
20 10-percent reduction in water use from the baseline commercial,
21 industrial, and institutional water use by 2020.
- 22 (3) Ninety-five percent of the applicable state hydrologic region
23 target, as set forth in the state's draft 20x2020 Water Conservation
24 Plan (dated April 30, 2009). If the service area of an urban water
25 supplier includes more than one hydrologic region, the supplier
26 shall apportion its service area to each region based on population
27 or area.
- 28 (4) A method that shall be identified and developed by the
29 department, through a public process, and reported to the
30 Legislature no later than December 31, 2010. The method
31 developed by the department shall identify per capita targets that
32 cumulatively result in a statewide 20 percent reduction in urban
33 daily per capita water use by December 31, 2020. If the department
34 does not adopt a method pursuant to this paragraph, the urban retail
35 water supplier shall adopt a method described in paragraph (1),
36 (2), or (3). In developing urban daily per capita water use targets,
37 the department shall do all of the following:
- 38 (A) Consider climatic differences within the state.
- 39 (B) Consider population density differences within the state.

- 1 ~~(C) Provide flexibility to communities and regions in meeting~~
2 ~~the targets.~~
- 3 ~~(D) Consider different levels of per capita water use according~~
4 ~~to plant water needs in different regions.~~
- 5 ~~(E) Consider different levels of commercial, industrial, and~~
6 ~~institutional water use in different regions of the state.~~
- 7 ~~(F) Avoid placing an undue hardship on communities that have~~
8 ~~implemented conservation measures or taken actions to keep per~~
9 ~~capita water use low.~~
- 10 ~~(e) The department shall update the method described in~~
11 ~~paragraph (4) of subdivision (b) and report to the Legislature by~~
12 ~~December 31, 2014. An urban retail water supplier that adopted~~
13 ~~the method described in paragraph (4) of subdivision (b) may adopt~~
14 ~~a new urban daily per capita water use target pursuant to this~~
15 ~~updated method.~~
- 16 ~~(d) An urban retail water supplier shall include in its urban water~~
17 ~~management plan required pursuant to Part 2.6 (commencing with~~
18 ~~Section 10610) due in 2010 the baseline daily per capita water use,~~
19 ~~urban water use target, interim urban water use target, and~~
20 ~~compliance daily per capita water use, along with the bases for~~
21 ~~determining those estimates, including references to supporting~~
22 ~~data.~~
- 23 ~~(e) When calculating per capita values for the purposes of this~~
24 ~~chapter, an urban retail water supplier shall determine population~~
25 ~~using federal, state, and local population reports and projections.~~
- 26 ~~(f) An urban retail water supplier may update its 2020 urban~~
27 ~~water use target in its 2015 urban water management plan required~~
28 ~~pursuant to Part 2.6 (commencing with Section 10610).~~
- 29 ~~(g) (1) The department, through a public process and in~~
30 ~~consultation with the California Urban Water Conservation~~
31 ~~Council, shall develop technical methodologies and criteria for~~
32 ~~the consistent implementation of this part, including, but not limited~~
33 ~~to, both of the following:~~
- 34 ~~(A) Methodologies for calculating base daily per capita water~~
35 ~~use, baseline commercial, industrial, and institutional water use,~~
36 ~~compliance daily per capita water use, gross water use, service~~
37 ~~area population, indoor residential water use, and landscaped area~~
38 ~~water use.~~
- 39 ~~(B) Criteria for adjustments pursuant to subdivisions (d) and~~
40 ~~(e) of Section 10608.24.~~

1 ~~(2) The department shall post the methodologies and criteria~~
2 ~~developed pursuant to this subdivision on its Internet Web site,~~
3 ~~and make written copies available, by October 1, 2010. An urban~~
4 ~~retail water supplier shall use the methods developed by the~~
5 ~~department in compliance with this part.~~

6 ~~(h) (1) The department shall adopt regulations for~~
7 ~~implementation of the provisions relating to process water in~~
8 ~~accordance with subdivision (l) of Section 10608.12, subdivision~~
9 ~~(e) of Section 10608.24, and subdivision (d) of Section 10608.26.~~

10 ~~(2) The initial adoption of a regulation authorized by this~~
11 ~~subdivision is deemed to address an emergency, for purposes of~~
12 ~~Sections 11346.1 and 11349.6 of the Government Code, and the~~
13 ~~department is hereby exempted for that purpose from the~~
14 ~~requirements of subdivision (b) of Section 11346.1 of the~~
15 ~~Government Code. After the initial adoption of an emergency~~
16 ~~regulation pursuant to this subdivision, the department shall not~~
17 ~~request approval from the Office of Administrative Law to readopt~~
18 ~~the regulation as an emergency regulation pursuant to Section~~
19 ~~11346.1 of the Government Code.~~

20 ~~(i) An urban retail water supplier shall be granted an extension~~
21 ~~to July 1, 2011, for adoption of an urban water management plan~~
22 ~~pursuant to Part 2.6 (commencing with Section 10610) due in 2010~~
23 ~~to allow use of technical methodologies developed by the~~
24 ~~department pursuant to paragraph (4) of subdivision (b) and~~
25 ~~subdivision (g). An urban retail water supplier that adopts an urban~~
26 ~~water management plan due in 2010 that does not use the~~
27 ~~methodologies developed by the department pursuant to~~
28 ~~subdivision (g) shall amend the plan by July 1, 2011, to comply~~
29 ~~with this part.~~

30 ~~10608.22. Notwithstanding the method adopted by an urban~~
31 ~~retail water supplier pursuant to Section 10608.20, an urban retail~~
32 ~~water supplier's per capita daily water use reduction shall be no~~
33 ~~less than 5 percent of base daily per capita water use as defined in~~
34 ~~paragraph (3) of subdivision (b) of Section 10608.12. This section~~
35 ~~does not apply to an urban retail water supplier with a base daily~~
36 ~~per capita water use at or below 100 gallons per capita per day.~~

37 ~~10608.24. (a) Each urban retail water supplier shall meet its~~
38 ~~interim urban water use target by December 31, 2015.~~

39 ~~(b) Each urban retail water supplier shall meet its urban water~~
40 ~~use target by December 31, 2020.~~

1 ~~(e) An urban retail water supplier's compliance daily per capita~~
2 ~~water use shall be the measure of progress toward achievement of~~
3 ~~its urban water use target.~~

4 ~~(d) (1) When determining compliance daily per capita water~~
5 ~~use, an urban retail water supplier may consider the following~~
6 ~~factors:~~

7 ~~(A) Differences in evapotranspiration and rainfall in the baseline~~
8 ~~period compared to the compliance reporting period.~~

9 ~~(B) Substantial changes to commercial or industrial water use~~
10 ~~resulting from increased business output and economic~~
11 ~~development that have occurred during the reporting period.~~

12 ~~(C) Substantial changes to institutional water use resulting from~~
13 ~~fire suppression services or other extraordinary events, or from~~
14 ~~new or expanded operations, that have occurred during the~~
15 ~~reporting period.~~

16 ~~(2) If the urban retail water supplier elects to adjust its estimate~~
17 ~~of compliance daily per capita water use due to one or more of the~~
18 ~~factors described in paragraph (1), it shall provide the basis for,~~
19 ~~and data supporting, the adjustment in the report required by~~
20 ~~Section 10608.40.~~

21 ~~(e) When developing the urban water use target pursuant to~~
22 ~~Section 10608.20, an urban retail water supplier that has a~~
23 ~~substantial percentage of industrial water use in its service area,~~
24 ~~may exclude process water from the calculation of gross water use~~
25 ~~to avoid a disproportionate burden on another customer sector.~~

26 ~~(f) (1) An urban retail water supplier that includes agricultural~~
27 ~~water use in an urban water management plan pursuant to Part 2.6~~
28 ~~(commencing with Section 10610) may include the agricultural~~
29 ~~water use in determining gross water use. An urban retail water~~
30 ~~supplier that includes agricultural water use in determining gross~~
31 ~~water use and develops its urban water use target pursuant to~~
32 ~~paragraph (2) of subdivision (b) of Section 10608.20 shall use a~~
33 ~~water efficient standard for agricultural irrigation of 100 percent~~
34 ~~of reference evapotranspiration multiplied by the crop coefficient~~
35 ~~for irrigated acres.~~

36 ~~(2) An urban retail water supplier, that is also an agricultural~~
37 ~~water supplier, is not subject to the requirements of Chapter 4~~
38 ~~(commencing with Section 10608.48), if the agricultural water use~~
39 ~~is incorporated into its urban water use target pursuant to paragraph~~
40 ~~(1).~~

1 10608.26.—(a) In complying with this part, an urban retail water
2 supplier shall conduct at least one public hearing to accomplish
3 all of the following:

4 (1) Allow community input regarding the urban retail water
5 supplier's implementation plan for complying with this part.

6 (2) Consider the economic impacts of the urban retail water
7 supplier's implementation plan for complying with this part.

8 (3) Adopt a method, pursuant to subdivision (b) of Section
9 10608.20, for determining its urban water use target.

10 (b) In complying with this part, an urban retail water supplier
11 may meet its urban water use target through efficiency
12 improvements in any combination among its customer sectors. An
13 urban retail water supplier shall avoid placing a disproportionate
14 burden on any customer sector.

15 (c) For an urban retail water supplier that supplies water to a
16 United States Department of Defense military installation, the
17 urban retail water supplier's implementation plan for complying
18 with this part shall consider the United States Department of
19 Defense military installation's requirements under federal
20 Executive Order 13423.

21 (d) (1) Any ordinance or resolution adopted by an urban retail
22 water supplier after the effective date of this section shall not
23 require existing customers as of the effective date of this section,
24 to undertake changes in product formulation, operations, or
25 equipment that would reduce process water use, but may provide
26 technical assistance and financial incentives to those customers to
27 implement efficiency measures for process water. This section
28 shall not affect the operation of an ordinance or resolution adopted
29 under Section 375 prior to the effective date of this section.

30 (2) This part shall not be construed or enforced so as to interfere
31 with the requirements of Chapter 4 (commencing with Section
32 113980) to Chapter 13 (commencing with Section 114380),
33 inclusive, of Part 7 of Division 104 of the Health and Safety Code,
34 or any requirement or standard for the protection of public health,
35 public safety, or worker safety established by federal, state, or
36 local government or recommended by recognized standard-setting
37 organizations or trade associations.

38 10608.28.—(a) An urban retail water supplier may meet its
39 urban water use target within its retail service area, or through
40 mutual agreement, by any of the following:

- 1 ~~(1) Through an urban wholesale water supplier.~~
 2 ~~(2) Through a regional agency authorized to plan and implement~~
 3 ~~water conservation, including, but not limited to, an agency~~
 4 ~~established under the Bay Area Water Supply and Conservation~~
 5 ~~Agency Act (Division 31 (commencing with Section 81300)).~~
 6 ~~(3) Through a regional water management group as defined in~~
 7 ~~Section 10537.~~
 8 ~~(4) By an integrated regional water management funding area.~~
 9 ~~(5) By hydrologic region.~~
 10 ~~(6) Through other appropriate geographic scales for which~~
 11 ~~computation methods have been developed by the department.~~
 12 ~~(b) A regional water management group, with the written~~
 13 ~~consent of its member agencies, may undertake any or all planning,~~
 14 ~~reporting, and implementation functions under this chapter for the~~
 15 ~~member agencies that consent to those activities. Any data or~~
 16 ~~reports shall provide information both for the regional water~~
 17 ~~management group and separately for each consenting urban retail~~
 18 ~~water supplier and urban wholesale water supplier.~~
 19 ~~10608.32. All costs incurred pursuant to this part by a water~~
 20 ~~utility regulated by the Public Utilities Commission may be~~
 21 ~~recoverable in rates subject to review and approval by the Public~~
 22 ~~Utilities Commission, and may be recorded in a memorandum~~
 23 ~~account and reviewed for reasonableness by the Public Utilities~~
 24 ~~Commission.~~
 25 ~~10608.36. Urban wholesale water suppliers shall include in~~
 26 ~~the urban water management plans required pursuant to Part 2.6~~
 27 ~~(commencing with Section 10610) an assessment of their present~~
 28 ~~and proposed future measures, programs, and policies to help~~
 29 ~~achieve the water use reductions required by this part.~~
 30 ~~10608.40. Urban water retail suppliers shall report to the~~
 31 ~~department on their progress in meeting their urban water use~~
 32 ~~targets as part of their urban water management plans submitted~~
 33 ~~pursuant to Section 10631. The data shall be reported using a~~
 34 ~~standardized form developed pursuant to Section 10608.52.~~
 35 ~~10608.42. The department shall review the 2015 urban water~~
 36 ~~management plans and report to the Legislature by December 31,~~
 37 ~~2016, on progress towards achieving a 20-percent reduction in~~
 38 ~~urban water use by December 31, 2020. The report shall include~~
 39 ~~recommendations on changes to water efficiency standards or~~
 40 ~~urban water use targets in order to achieve the 20-percent reduction~~

1 and to reflect updated efficiency information and technology
2 changes:

3 ~~10608.43. The department, in conjunction with the California~~
4 ~~Urban Water Conservation Council, by April 1, 2010, shall convene~~
5 ~~a representative task force consisting of academic experts, urban~~
6 ~~retail water suppliers, environmental organizations, commercial~~
7 ~~water users, industrial water users, and institutional water users to~~
8 ~~develop alternative best management practices for commercial,~~
9 ~~industrial, and institutional users and an assessment of the potential~~
10 ~~statewide water use efficiency improvement in the commercial,~~
11 ~~industrial, and institutional sectors that would result from~~
12 ~~implementation of these best management practices. The taskforce,~~
13 ~~in conjunction with the department, shall submit a report to the~~
14 ~~Legislature by April 1, 2012, that shall include a review of multiple~~
15 ~~sectors within commercial, industrial, and institutional users and~~
16 ~~that shall recommend water use efficiency standards for~~
17 ~~commercial, industrial, and institutional users among various~~
18 ~~sectors of water use. The report shall include, but not be limited~~
19 ~~to, the following:~~

20 ~~(a) Appropriate metrics for evaluating commercial, industrial,~~
21 ~~and institutional water use.~~

22 ~~(b) Evaluation of water demands for manufacturing processes,~~
23 ~~goods, and cooling.~~

24 ~~(c) Evaluation of public infrastructure necessary for delivery of~~
25 ~~recycled water to the commercial, industrial, and institutional~~
26 ~~sectors.~~

27 ~~(d) Evaluation of institutional and economic barriers to increased~~
28 ~~recycled water use within the commercial, industrial, and~~
29 ~~institutional sectors.~~

30 ~~(e) Identification of technical feasibility and cost of the best~~
31 ~~management practices to achieve more efficient water use statewide~~
32 ~~in the commercial, industrial, and institutional sectors that is~~
33 ~~consistent with the public interest and reflects past investments in~~
34 ~~water use efficiency.~~

35 ~~10608.44. Each state agency shall reduce water use on facilities~~
36 ~~it operates to support urban retail water suppliers in meeting the~~
37 ~~target identified in Section 10608.16.~~

CHAPTER 4. AGRICULTURAL WATER SUPPLIERS

- 1
2
3 10608.48. (a) On or before July 31, 2012, an agricultural water
4 supplier shall implement efficient water management practices
5 pursuant to subdivisions (b) and (c).
6 (b) Agricultural water suppliers shall implement all of the
7 following critical efficient management practices:
8 (1) Measure the volume of water delivered to customers with
9 sufficient accuracy to comply with subdivision (a) of Section
10 531.10 and to implement volumetric pricing pursuant to paragraph
11 (2).
12 (2) Adopt a pricing structure for water customers based at least
13 in part on quantity delivered.
14 (c) Agricultural water suppliers shall implement additional
15 efficient management practices, including, but not limited to,
16 practices to accomplish all of the following, if the measures are
17 locally cost effective and technically feasible:
18 (1) Facilitate alternative land use for lands with exceptionally
19 high water duties or whose irrigation contributes to significant
20 problems, including drainage.
21 (2) Facilitate use of available recycled water that otherwise
22 would not be used beneficially, meets all health and safety criteria,
23 and does not harm crops or soils.
24 (3) Facilitate the financing of capital improvements for on-farm
25 irrigation systems.
26 (4) Implement an incentive pricing structure that promotes one
27 or more of the following goals:
28 (A) More efficient water use at the farm level.
29 (B) Conjunctive use of groundwater.
30 (C) Appropriate increase of groundwater recharge.
31 (D) Reduction in problem drainage.
32 (E) Improved management of environmental resources.
33 (F) Effective management of all water sources throughout the
34 year by adjusting seasonal pricing structures based on current
35 conditions.
36 (5) Expand line or pipe distribution systems, and construct
37 regulatory reservoirs to increase distribution system flexibility and
38 capacity, decrease maintenance, and reduce seepage.
39 (6) Increase flexibility in water ordering by, and delivery to,
40 water customers within operational limits.

- 1 ~~(7) Construct and operate supplier spill and tailwater recovery~~
2 ~~systems.~~
- 3 ~~(8) Increase planned conjunctive use of surface water and~~
4 ~~groundwater within the supplier service area.~~
- 5 ~~(9) Automate canal control structures.~~
- 6 ~~(10) Facilitate or promote customer pump testing and evaluation.~~
- 7 ~~(11) Designate a water conservation coordinator who will~~
8 ~~develop and implement the water management plan and prepare~~
9 ~~progress reports.~~
- 10 ~~(12) Provide for the availability of water management services~~
11 ~~to water users. These services may include, but are not limited to,~~
12 ~~all of the following:~~
 - 13 ~~(A) On-farm irrigation and drainage system evaluations.~~
 - 14 ~~(B) Normal year and real-time irrigation scheduling and crop~~
15 ~~evapotranspiration information.~~
 - 16 ~~(C) Surface water, groundwater, and drainage water quantity~~
17 ~~and quality data.~~
 - 18 ~~(D) Agricultural water management educational programs and~~
19 ~~materials for farmers, staff, and the public.~~
- 20 ~~(13) Evaluate the policies of agencies that provide the supplier~~
21 ~~with water to identify the potential for institutional changes to~~
22 ~~allow more flexible water deliveries and storage.~~
- 23 ~~(14) Evaluate and improve the efficiencies of the supplier's~~
24 ~~pumps.~~
 - 25 ~~(d) Agricultural water suppliers shall include in the agricultural~~
26 ~~water management plans required pursuant to Part 2.8~~
27 ~~(commencing with Section 10800) a report on which efficient~~
28 ~~water management practices have been implemented and are~~
29 ~~planned to be implemented, an estimate of the water use efficiency~~
30 ~~improvements that have occurred since the last report, and an~~
31 ~~estimate of the water use efficiency improvements estimated to~~
32 ~~occur five and 10 years in the future. If an agricultural water~~
33 ~~supplier determines that an efficient water management practice~~
34 ~~is not locally cost effective or technically feasible, the supplier~~
35 ~~shall submit information documenting that determination.~~
 - 36 ~~(e) The data shall be reported using a standardized form~~
37 ~~developed pursuant to Section 10608.52.~~
 - 38 ~~(f) An agricultural water supplier may meet the requirements~~
39 ~~of subdivisions (d) and (e) by submitting to the department a water~~
40 ~~conservation plan submitted to the United States Bureau of~~

1 Reclamation that meets the requirements described in Section
2 10828.

3 ~~(g) On or before December 31, 2013, December 31, 2016, and~~
4 ~~December 31, 2021, the department, in consultation with the board,~~
5 ~~shall submit to the Legislature a report on the agricultural efficient~~
6 ~~water management practices that have been implemented and are~~
7 ~~planned to be implemented and an assessment of the manner in~~
8 ~~which the implementation of those efficient water management~~
9 ~~practices has affected and will affect agricultural operations,~~
10 ~~including estimated water use efficiency improvements, if any.~~

11 ~~(h) The department may update the efficient water management~~
12 ~~practices required pursuant to subdivision (c), in consultation with~~
13 ~~the Agricultural Water Management Council, the United States~~
14 ~~Bureau of Reclamation, and the board. All efficient water~~
15 ~~management practices for agricultural water use pursuant to this~~
16 ~~chapter shall be adopted or revised by the department only after~~
17 ~~the department conducts public hearings to allow participation of~~
18 ~~the diverse geographical areas and interests of the state.~~

19 ~~(i) (1) The department shall adopt regulations that provide for~~
20 ~~a range of options that agricultural water suppliers may use or~~
21 ~~implement to comply with the measurement requirement in~~
22 ~~paragraph (1) of subdivision (b).~~

23 ~~(2) The initial adoption of a regulation authorized by this~~
24 ~~subdivision is deemed to address an emergency, for purposes of~~
25 ~~Sections 11346.1 and 11349.6 of the Government Code, and the~~
26 ~~department is hereby exempted for that purpose from the~~
27 ~~requirements of subdivision (b) of Section 11346.1 of the~~
28 ~~Government Code. After the initial adoption of an emergency~~
29 ~~regulation pursuant to this subdivision, the department shall not~~
30 ~~request approval from the Office of Administrative Law to readopt~~
31 ~~the regulation as an emergency regulation pursuant to Section~~
32 ~~11346.1 of the Government Code.~~

33

34 CHAPTER 5. SUSTAINABLE WATER MANAGEMENT

35

36 10608.50. ~~(a) The department, in consultation with the board,~~
37 ~~shall promote implementation of regional water resources~~
38 ~~management practices through increased incentives and removal~~
39 ~~of barriers consistent with state and federal law. Potential changes~~
40 ~~may include, but are not limited to, all of the following:~~

1 ~~(1) Revisions to the requirements for urban and agricultural~~
2 ~~water management plans.~~

3 ~~(2) Revisions to the requirements for integrated regional water~~
4 ~~management plans.~~

5 ~~(3) Revisions to the eligibility for state water management grants~~
6 ~~and loans.~~

7 ~~(4) Revisions to state or local permitting requirements that~~
8 ~~increase water supply opportunities, but do not weaken water~~
9 ~~quality protection under state and federal law.~~

10 ~~(5) Increased funding for research, feasibility studies, and project~~
11 ~~construction.~~

12 ~~(6) Expanding technical and educational support for local land~~
13 ~~use and water management agencies.~~

14 ~~(b) No later than January 1, 2011, and updated as part of the~~
15 ~~California Water Plan, the department, in consultation with the~~
16 ~~board, and with public input, shall propose new statewide targets,~~
17 ~~or review and update existing statewide targets, for regional water~~
18 ~~resources management practices, including, but not limited to,~~
19 ~~recycled water, brackish groundwater desalination, and infiltration~~
20 ~~and direct use of urban stormwater runoff.~~

21
22 ~~CHAPTER 6. STANDARDIZED DATA COLLECTION~~
23

24 ~~10608.52. (a) The department, in consultation with the board,~~
25 ~~the California Bay-Delta Authority or its successor agency, the~~
26 ~~State Department of Public Health, and the Public Utilities~~
27 ~~Commission, shall develop a single standardized water use~~
28 ~~reporting form to meet the water use information needs of each~~
29 ~~agency, including the needs of urban water suppliers that elect to~~
30 ~~determine and report progress toward achieving targets on a~~
31 ~~regional basis as provided in subdivision (a) of Section 10608.28.~~

32 ~~(b) At a minimum, the form shall be developed to accommodate~~
33 ~~information sufficient to assess an urban water supplier's~~
34 ~~compliance with conservation targets pursuant to Section 10608.24~~
35 ~~and an agricultural water supplier's compliance with~~
36 ~~implementation of efficient water management practices pursuant~~
37 ~~to subdivision (a) of Section 10608.48. The form shall~~
38 ~~accommodate reporting by urban water suppliers on an individual~~
39 ~~or regional basis as provided in subdivision (a) of Section~~
40 ~~10608.28.~~

CHAPTER 7. FUNDING PROVISIONS

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~~10608.56. (a) On and after July 1, 2016, an urban retail water supplier is not eligible for a water grant or loan awarded or administered by the state unless the supplier complies with this part.~~

~~(b) On and after July 1, 2013, an agricultural water supplier is not eligible for a water grant or loan awarded or administered by the state unless the supplier complies with this part.~~

~~(c) Notwithstanding subdivision (a), the department shall determine that an urban retail water supplier is eligible for a water grant or loan even though the supplier has not met the per capita reductions required pursuant to Section 10608.24, if the urban retail water supplier has submitted to the department for approval a schedule, financing plan, and budget, to be included in the grant or loan agreement, for achieving the per capita reductions. The supplier may request grant or loan funds to achieve the per capita reductions to the extent the request is consistent with the eligibility requirements applicable to the water funds.~~

~~(d) Notwithstanding subdivision (b), the department shall determine that an agricultural water supplier is eligible for a water grant or loan even though the supplier is not implementing all of the efficient water management practices described in Section 10608.48, if the agricultural water supplier has submitted to the department for approval a schedule, financing plan, and budget, to be included in the grant or loan agreement, for implementation of the efficient water management practices. The supplier may request grant or loan funds to implement the efficient water management practices to the extent the request is consistent with the eligibility requirements applicable to the water funds.~~

~~(e) Notwithstanding subdivision (a), the department shall determine that an urban retail water supplier is eligible for a water grant or loan even though the supplier has not met the per capita reductions required pursuant to Section 10608.24, if the urban retail water supplier has submitted to the department for approval documentation demonstrating that its entire service area qualifies as a disadvantaged community.~~

~~(f) The department shall not deny eligibility to an urban retail water supplier or agricultural water supplier in compliance with the requirements of this part and Part 2.8 (commencing with~~

1 Section 10800), that is participating in a multiagency water project,
 2 or an integrated regional water management plan, developed
 3 pursuant to Section 75026 of the Public Resources Code, solely
 4 on the basis that one or more of the agencies participating in the
 5 project or plan is not implementing all of the requirements of this
 6 part or Part 2.8 (commencing with Section 10800).

7 10608.60. (a) It is the intent of the Legislature that funds made
 8 available by Section 75026 of the Public Resources Code should
 9 be expended, consistent with Division 43 (commencing with
 10 Section 75001) of the Public Resources Code and upon
 11 appropriation by the Legislature, for grants to implement this part.
 12 In the allocation of funding, it is the intent of the Legislature that
 13 the department give consideration to disadvantaged communities
 14 to assist in implementing the requirements of this part.

15 (b) It is the intent of the Legislature that funds made available
 16 by Section 75041 of the Public Resources Code, should be
 17 expended, consistent with Division 43 (commencing with Section
 18 75001) of the Public Resources Code and upon appropriation by
 19 the Legislature, for direct expenditures to implement this part.

20
 21 CHAPTER 8. QUANTIFYING AGRICULTURAL WATER USE
 22 EFFICIENCY
 23

24 10608.64. The department, in consultation with the Agricultural
 25 Water Management Council, academic experts, and other
 26 stakeholders, shall develop a methodology for quantifying the
 27 efficiency of agricultural water use. Alternatives to be assessed
 28 shall include, but not be limited to, determination of efficiency
 29 levels based on crop type or irrigation system distribution
 30 uniformity. On or before December 31, 2011, the department shall
 31 report to the Legislature on a proposed methodology and a plan
 32 for implementation. The plan shall include the estimated
 33 implementation costs and the types of data needed to support the
 34 methodology. Nothing in this section authorizes the department
 35 to implement a methodology established pursuant to this section.

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

37 10631.5. (a) (1) Beginning January 1, 2009, the terms of, and
 38 eligibility for, a water management grant or loan made to an urban
 39 water supplier and awarded or administered by the department,
 40 state board, or California Bay-Delta Authority or its successor

1 agency shall be conditioned on the implementation of the water
2 demand management measures described in Section 10631, as
3 determined by the department pursuant to subdivision (b):

4 (2) For the purposes of this section, water management grants
5 and loans include funding for programs and projects for surface
6 water or groundwater storage, recycling, desalination, water
7 conservation, water supply reliability, and water supply
8 augmentation. This section does not apply to water management
9 projects funded by the federal American Recovery and
10 Reinvestment Act of 2009 (Public Law 111-5).

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

23 (4) (A) Notwithstanding paragraph (1), the department shall
24 determine that an urban water supplier is eligible for a water
25 management grant or loan even though the supplier is not
26 implementing all of the water demand management measures
27 described in Section 10631, if an urban water supplier submits to
28 the department for approval documentation demonstrating that a
29 water demand management measure is not locally cost effective.
30 If the department determines that the documentation submitted by
31 the urban water supplier fails to demonstrate that a water demand
32 management measure is not locally cost effective, the department
33 shall notify the urban water supplier and the agency administering
34 the grant or loan program within 120 days that the documentation
35 does not satisfy the requirements for an exemption, and include
36 in that notification a detailed statement to support the
37 determination.

38 (B) For purposes of this paragraph, “not locally cost effective”
39 means that the present value of the local benefits of implementing

1 a water demand management measure is less than the present value
2 of the local costs of implementing that measure.

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

9 (A) Consider the conservation measures described in the
10 Memorandum of Understanding Regarding Urban Water
11 Conservation in California, and alternative conservation approaches
12 that provide equal or greater water savings.

13 (B) Recognize the different legal, technical, fiscal, and practical
14 roles and responsibilities of wholesale water suppliers and retail
15 water suppliers.

16 (2) (A) For the purposes of this section, the department shall
17 determine whether an urban water supplier is implementing all of
18 the water demand management measures described in Section
19 10631 based on either, or a combination, of the following:

20 (i) Compliance on an individual basis.

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

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

35 (3) The department shall not deny eligibility to an urban water
36 supplier in compliance with the requirements of this section that
37 is participating in a multiagency water project, or an integrated
38 regional water management plan, developed pursuant to Section
39 75026 of the Public Resources Code, solely on the basis that one
40 or more of the agencies participating in the project or plan is not

1 implementing all of the water demand management measures
2 described in Section 10631.

3 (e) In establishing guidelines pursuant to the specific funding
4 authorization for any water management grant or loan program
5 subject to this section, the agency administering the grant or loan
6 program shall include in the guidelines the eligibility requirements
7 developed by the department pursuant to subdivision (b).

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

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

25 (f) This section shall remain in effect only until July 1, 2016,
26 and as of that date is repealed, unless a later enacted statute, that
27 is enacted before July 1, 2016, deletes or extends that date.

28 SEC. 3. Part 2.8 (commencing with Section 10800) of Division
29 6 of the Water Code is repealed.

30 SEC. 4. Part 2.8 (commencing with Section 10800) is added
31 to Division 6 of the Water Code, to read:

32

33 PART 2.8. AGRICULTURAL WATER MANAGEMENT
34 PLANNING

35

36 CHAPTER 1. GENERAL DECLARATIONS AND POLICY

37

38 10800. This part shall be known and may be cited as the
39 Agricultural Water Management Planning Act.

40 10801. The Legislature finds and declares all of the following:

- 1 ~~(a) The waters of the state are a limited and renewable resource.~~
- 2 ~~(b) The California Constitution requires that water in the state~~
- 3 ~~be used in a reasonable and beneficial manner.~~
- 4 ~~(c) Urban water districts are required to adopt water management~~
- 5 ~~plans.~~
- 6 ~~(d) The conservation of agricultural water supplies is of great~~
- 7 ~~statewide concern.~~
- 8 ~~(e) There is a great amount of reuse of delivered water, both~~
- 9 ~~inside and outside the water service areas.~~
- 10 ~~(f) Significant noncrop beneficial uses are associated with~~
- 11 ~~agricultural water use, including streamflows and wildlife habitat.~~
- 12 ~~(g) Significant opportunities exist in some areas, through~~
- 13 ~~improved irrigation water management, to conserve water or to~~
- 14 ~~reduce the quantity of highly saline or toxic drainage water.~~
- 15 ~~(h) Changes in water management practices should be carefully~~
- 16 ~~planned and implemented to minimize adverse effects on other~~
- 17 ~~beneficial uses currently being served.~~
- 18 ~~(i) Agricultural water suppliers that receive water from the~~
- 19 ~~federal Central Valley Project are required by federal law to prepare~~
- 20 ~~and implement water conservation plans.~~
- 21 ~~(j) Agricultural water users applying for a permit to appropriate~~
- 22 ~~water from the board are required to prepare and implement water~~
- 23 ~~conservation plans.~~
- 24 ~~10802. The Legislature finds and declares that all of the~~
- 25 ~~following are the policies of the state:~~
- 26 ~~(a) The conservation of water shall be pursued actively to protect~~
- 27 ~~both the people of the state and the state's water resources.~~
- 28 ~~(b) The conservation of agricultural water supplies shall be an~~
- 29 ~~important criterion in public decisions with regard to water.~~
- 30 ~~(c) Agricultural water suppliers shall be required to prepare~~
- 31 ~~water management plans to achieve conservation of water.~~

32
33 ~~CHAPTER 2. DEFINITIONS~~

34
35 ~~10810. Unless the context otherwise requires, the definitions~~

36 ~~set forth in this chapter govern the construction of this part.~~

37 ~~10811. "Agricultural water management plan" or "plan" means~~

38 ~~an agricultural water management plan prepared pursuant to this~~

39 ~~part.~~

1 10812. “Agricultural water supplier” has the same meaning as
2 defined in Section 10608.12.

3 10813. “Customer” means a purchaser of water from a water
4 supplier who uses water for agricultural purposes.

5 10814. “Person” means any individual, firm, association,
6 organization, partnership, business, trust, corporation, company,
7 public agency, or any agency of that entity.

8 10815. “Public agency” means any city, county, city and
9 county, special district, or other public entity.

10 10816. “Urban water supplier” has the same meaning as set
11 forth in Section 10617.

12 10817. “Water conservation” means the efficient management
13 of water resources for beneficial uses, preventing waste, or
14 accomplishing additional benefits with the same amount of water.

15

16 CHAPTER 3. AGRICULTURAL WATER MANAGEMENT PLANS

17

18 Article 1. General Provisions

19

20 10820. (a) An agricultural water supplier shall prepare and
21 adopt an agricultural water management plan in the manner set
22 forth in this chapter on or before December 31, 2012, and shall
23 update that plan on December 31, 2015, and on or before December
24 31 every five years thereafter.

25 (b) Every supplier that becomes an agricultural water supplier
26 after December 31, 2012, shall prepare and adopt an agricultural
27 water management plan within one year after the date it has become
28 an agricultural water supplier.

29 (c) A water supplier that indirectly provides water to customers
30 for agricultural purposes shall not prepare a plan pursuant to this
31 part without the consent of each agricultural water supplier that
32 directly provides that water to its customers.

33 10821. (a) An agricultural water supplier required to prepare
34 a plan pursuant to this part shall notify each city or county within
35 which the supplier provides water supplies that the agricultural
36 water supplier will be preparing the plan or reviewing the plan and
37 considering amendments or changes to the plan. The agricultural
38 water supplier may consult with, and obtain comments from, each
39 city or county that receives notice pursuant to this subdivision.

1 ~~(b) The amendments to, or changes in, the plan shall be adopted~~
2 ~~and submitted in the manner set forth in Article 3 (commencing~~
3 ~~with Section 10840).~~

4
5 Article 2. Contents of Plans
6

7 10825. ~~(a) It is the intent of the Legislature in enacting this~~
8 ~~part to allow levels of water management planning commensurate~~
9 ~~with the numbers of customers served and the volume of water~~
10 ~~supplied.~~

11 ~~(b) This part does not require the implementation of water~~
12 ~~conservation programs or practices that are not locally cost~~
13 ~~effective.~~

14 10826. ~~An agricultural water management plan shall be adopted~~
15 ~~in accordance with this chapter. The plan shall do all of the~~
16 ~~following:~~

17 ~~(a) Describe the agricultural water supplier and the service area,~~
18 ~~including all of the following:~~

19 ~~(1) Size of the service area.~~
20 ~~(2) Location of the service area and its water management~~
21 ~~facilities.~~

22 ~~(3) Terrain and soils.~~

23 ~~(4) Climate.~~

24 ~~(5) Operating rules and regulations.~~

25 ~~(6) Water delivery measurements or calculations.~~

26 ~~(7) Water rate schedules and billing.~~

27 ~~(8) Water shortage allocation policies.~~

28 ~~(b) Describe the quantity and quality of water resources of the~~
29 ~~agricultural water supplier, including all of the following:~~

30 ~~(1) Surface water supply.~~

31 ~~(2) Groundwater supply.~~

32 ~~(3) Other water supplies.~~

33 ~~(4) Source water quality monitoring practices.~~

34 ~~(5) Water uses within the agricultural water supplier's service~~
35 ~~area, including all of the following:~~

36 ~~(A) Agricultural.~~

37 ~~(B) Environmental.~~

38 ~~(C) Recreational.~~

39 ~~(D) Municipal and industrial.~~

40 ~~(E) Groundwater recharge.~~

- 1 ~~(F) Transfers and exchanges.~~
2 ~~(G) Other water uses.~~
3 ~~(6) Drainage from the water supplier's service area.~~
4 ~~(7) Water accounting, including all of the following:~~
5 ~~(A) Quantifying the water supplier's water supplies.~~
6 ~~(B) Tabulating water uses.~~
7 ~~(C) Overall water budget.~~
8 ~~(8) Water supply reliability.~~
9 ~~(e) Include an analysis, based on available information, of the~~
10 ~~effect of climate change on future water supplies.~~
11 ~~(d) Describe previous water management activities.~~
12 ~~(e) Include in the plan the water use efficiency information~~
13 ~~required pursuant to Section 10608.48.~~
14 ~~10827. Agricultural water suppliers that are members of the~~
15 ~~Agricultural Water Management Council, and that submit water~~
16 ~~management plans to that council in accordance with the~~
17 ~~"Memorandum of Understanding Regarding Efficient Water~~
18 ~~Management Practices By Agricultural Water Suppliers In~~
19 ~~California," dated January 1, 1999, may submit the water~~
20 ~~management plans identifying water demand management~~
21 ~~measures currently being implemented, or scheduled for~~
22 ~~implementation, to satisfy the requirements of Section 10826.~~
23 ~~10828. (a) Agricultural water suppliers that are required to~~
24 ~~submit water conservation plans to the United States Bureau of~~
25 ~~Reclamation pursuant to either the Central Valley Project~~
26 ~~Improvement Act (Public Law 102-575) or the Reclamation~~
27 ~~Reform Act of 1982, or both, may submit those water conservation~~
28 ~~plans to satisfy the requirements of Section 10826, if both of the~~
29 ~~following apply:~~
30 ~~(1) The agricultural water supplier has adopted and submitted~~
31 ~~the water conservation plan to the United States Bureau of~~
32 ~~Reclamation within the previous four years.~~
33 ~~(2) The United States Bureau of Reclamation has accepted the~~
34 ~~water conservation plan as adequate.~~
35 ~~(b) This part does not require agricultural water suppliers that~~
36 ~~are required to submit water conservation plans to the United States~~
37 ~~Bureau of Reclamation pursuant to either the Central Valley Project~~
38 ~~Improvement Act (Public Law 102-575) or the Reclamation~~
39 ~~Reform Act of 1982, or both, to prepare and adopt water~~

1 conservation plans according to a schedule that is different from
2 that required by the United States Bureau of Reclamation.

3 ~~10829. An agricultural water supplier may satisfy the~~
4 ~~requirements of this part by adopting an urban water management~~
5 ~~plan pursuant to Part 2.6 (commencing with Section 10610) or by~~
6 ~~participation in area wide, regional, watershed, or basinwide water~~
7 ~~management planning if those plans meet or exceed the~~
8 ~~requirements of this part.~~

9
10 Article 3. Adoption and Implementation of Plans

11
12 ~~10840. Every agricultural water supplier shall prepare its plan~~
13 ~~pursuant to Article 2 (commencing with Section 10825).~~

14 ~~10841. Prior to adopting a plan, the agricultural water supplier~~
15 ~~shall make the proposed plan available for public inspection, and~~
16 ~~shall hold a public hearing on the plan. Prior to the hearing, notice~~
17 ~~of the time and place of hearing shall be published within the~~
18 ~~jurisdiction of the publicly owned agricultural water supplier~~
19 ~~pursuant to Section 6066 of the Government Code. A privately~~
20 ~~owned agricultural water supplier shall provide an equivalent notice~~
21 ~~within its service area and shall provide a reasonably equivalent~~
22 ~~opportunity that would otherwise be afforded through a public~~
23 ~~hearing process for interested parties to provide input on the plan.~~
24 ~~After the hearing, the plan shall be adopted as prepared or as~~
25 ~~modified during or after the hearing.~~

26 ~~10842. An agricultural water supplier shall implement the plan~~
27 ~~adopted pursuant to this chapter in accordance with the schedule~~
28 ~~set forth in its plan, as determined by the governing body of the~~
29 ~~agricultural water supplier.~~

30 ~~10843. (a) An agricultural water supplier shall submit to the~~
31 ~~entities identified in subdivision (b) a copy of its plan no later than~~
32 ~~30 days after the adoption of the plan. Copies of amendments or~~
33 ~~changes to the plans shall be submitted to the entities identified in~~
34 ~~subdivision (b) within 30 days after the adoption of the~~
35 ~~amendments or changes.~~

36 ~~(b) An agricultural water supplier shall submit a copy of its plan~~
37 ~~and amendments or changes to the plan to each of the following~~
38 ~~entities:~~

39 ~~(1) The department.~~

1 ~~(2) Any city, county, or city and county within which the~~
2 ~~agricultural water supplier provides water supplies.~~

3 ~~(3) Any groundwater management entity within which~~
4 ~~jurisdiction the agricultural water supplier extracts or provides~~
5 ~~water supplies.~~

6 ~~(4) Any urban water supplier within which jurisdiction the~~
7 ~~agricultural water supplier provides water supplies.~~

8 ~~(5) Any city or county library within which jurisdiction the~~
9 ~~agricultural water supplier provides water supplies.~~

10 ~~(6) The California State Library.~~

11 ~~(7) Any local agency formation commission serving a county~~
12 ~~within which the agricultural water supplier provides water~~
13 ~~supplies.~~

14 ~~10844. (a) Not later than 30 days after the date of adopting its~~
15 ~~plan, the agricultural water supplier shall make the plan available~~
16 ~~for public review on the agricultural water supplier's Internet Web~~
17 ~~site.~~

18 ~~(b) An agricultural water supplier that does not have an Internet~~
19 ~~Web site shall submit to the department, not later than 30 days~~
20 ~~after the date of adopting its plan, a copy of the adopted plan in~~
21 ~~an electronic format. The department shall make the plan available~~
22 ~~for public review on the department's Internet Web site.~~

23 ~~10845. (a) The department shall prepare and submit to the~~
24 ~~Legislature, on or before December 31, 2013, and thereafter in the~~
25 ~~years ending in six and years ending in one, a report summarizing~~
26 ~~the status of the plans adopted pursuant to this part.~~

27 ~~(b) The report prepared by the department shall identify the~~
28 ~~outstanding elements of any plan adopted pursuant to this part.~~
29 ~~The report shall include an evaluation of the effectiveness of this~~
30 ~~part in promoting efficient agricultural water management practices~~
31 ~~and recommendations relating to proposed changes to this part, as~~
32 ~~appropriate.~~

33 ~~(c) The department shall provide a copy of the report to each~~
34 ~~agricultural water supplier that has submitted its plan to the~~
35 ~~department. The department shall also prepare reports and provide~~
36 ~~data for any legislative hearing designed to consider the~~
37 ~~effectiveness of plans submitted pursuant to this part.~~

38 ~~(d) This section does not authorize the department, in preparing~~
39 ~~the report, to approve, disapprove, or critique individual plans~~
40 ~~submitted pursuant to this part.~~

CHAPTER 4. MISCELLANEOUS PROVISIONS

10850. (a) Any action or proceeding to attack, review, set aside, void, or annul the acts or decisions of an agricultural water supplier on the grounds of noncompliance with this part shall be commenced as follows:

(1) An action or proceeding alleging failure to adopt a plan shall be commenced within 18 months after that adoption is required by this part.

(2) Any action or proceeding alleging that a plan, or action taken pursuant to the plan, does not comply with this part shall be commenced within 120 days after submitting the plan or amendments to the plan to entities in accordance with Section 10844 or the taking of that action.

(b) In an action or proceeding to attack, review, set aside, void, or annul a plan, or an action taken pursuant to the plan by an agricultural water supplier, on the grounds of noncompliance with this part, the inquiry shall extend only to whether there was a prejudicial abuse of discretion. Abuse of discretion is established if the agricultural water supplier has not proceeded in a manner required by law, or if the action by the agricultural water supplier is not supported by substantial evidence.

10851. The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) does not apply to the preparation and adoption of plans pursuant to this part. This part does not exempt projects for implementation of the plan or for expanded or additional water supplies from the California Environmental Quality Act.

10852. An agricultural water supplier is not eligible for a water grant or loan awarded or administered by the state unless the supplier complies with this part.

10853. No agricultural water supplier that provides water to less than 25,000 irrigated acres, excluding recycled water, shall be required to implement the requirements of this part or Part 2.55 (commencing with Section 10608) unless sufficient funding has specifically been provided to that water supplier for these purposes.

1 SEC. 5. This act shall take effect only if Senate Bill 1, Senate
2 Bill 5, and Senate Bill 6 of the 2009–10 Seventh Extraordinary
3 Session of the Legislature are enacted and become effective.

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