

Preprint AB 2 (AB 49 content)
Assemblymembers Feuer & Huffman

Summary & Comments

SUMMARY: Preprint AB 2 would require the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020, would require agricultural water management plans for agricultural water suppliers, and would promote expanded development of sustainable water supplies at the regional level.

Specifically, this proposal would:

A. Urban Water Use.

- 1) Establish a statewide urban water conservation target:
 - a) Require urban per capita water use to be reduced by 10 percent reduction by 2015.
 - b) Require urban per capita water use to be reduced by 20 percent by 2020

- 2) Establish process for urban water suppliers to meet the targets:
 - a) Define urban retail water supplier as a water supplier that directly provides municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of water annually at retail for municipal purposes.
 - b) Require urban retail water suppliers, individually or on a regional basis, to develop an urban water use target by December 31, 2010.
 - c) Require each urban water supplier to meet their target by 2020, and to meet an interim target by 2015, defined as half of their 2020 target.
 - d) Provide three methodologies for urban water suppliers to choose from to develop their water use target.
 - (1) A 20% reduction in baseline daily per capita use, or
 - (2) A methodology that combines efficiency standards for residential indoor use (55 gpcd); residential outdoor use (Model Water Efficient Landscape Ordinance); and commercial, industrial, and institutional (CII) use (10 % reduction); or
 - (3) A 5% reduction in base daily per capita water use if the urban water supplier was an early member of the CUWCC and their base daily per capita water use is at or below the DWR regional targets for gpcd.
 - e) Require a minimum 5 % reduction in water base water use by 2020 for all urban water suppliers.
 - f) Allow recycled water to count towards meeting an urban suppliers water use target if the recycled water is used to offset potable water demands.
 - g) Require urban water suppliers to report in their urban water management plans due in 2010 the identified targets in 2010, and to report progress in meeting the targets every five years in subsequent updates of their urban water management plans.

- h) Allow urban suppliers to consider the following when determining compliance with their target:
 - i) Weather differences between the base year and current reporting year
 - ii) Substantial changes in commercial and industrial water use due to increase business output and economic development
 - iii) Substantial changes to institutional water use resulting from fire suppression or other extraordinary events
 - i) Require urban water suppliers to hold public hearings to allow for community input on the supplier's implementation plan for meeting their water use target, and requires the implementation to avoid placing a disproportionate burden on any customer sector.
 - j) Condition eligibility for water management grants and loans on an urban water supplier's compliance with meeting the requirements established by the proposal.
- 3) Require DWR review and reporting:
- a) Require DWR to review the 2015 urban water management plans and report to the Legislature by 2016 on progress in meeting the 20% statewide target.
 - b) The report could include recommendations on changes to the standards or targets in order to achieve the 20% reduction in per capita use.
- 4) Create a CII Task Force
- a) Require DWR to establish the task force by 2010 in conjunction with the California Urban Water Conservation Council.
 - b) Require the CII task force to do the following:
 - i) Develop best management practices (BMPs)
 - ii) Assess the potential for statewide water savings if the BMPs are implemented.
 - iii) Report to the Legislature by 2012 on proposed water use efficiency standards for CII users based on several considerations.

B. Agricultural Water Management.

- 1) Defines of Agricultural Water Supplier as a supplier that provides water to 10,000 or more of irrigated acres, excluding recycled water used for irrigation.
- 2) Require Agricultural Water Management Plans
 - a) Requires agricultural water suppliers to prepare and implement water management plans, with specified components, by 2012 and update the plans every five years.
 - b) Requires DWR to review the plans and report to the Legislature every five years on the status of the plans, and the effectiveness of the plans in promoting efficient agricultural water management practices.
- 3) Require Efficient Agricultural Water Management Practices
 - a) Require all agricultural water suppliers to implement 6 critical efficient water management practices (EWMPs). Ten additional EWMPs would be required only if they are locally cost effective and technically feasible:

- b) Establish the 6 critical EWMPs as:
 - i) Measure water deliveries to customers to a level of accuracy needed to implement a pricing structure that is based in part on the quantity of water delivered.
 - ii) Designate a water conservation coordinator
 - iii) Provide water management services to customers
 - iv) Adopt a pricing structure that is based at least in part on the quantity of water delivered to customers.
 - v) Identify potential for more flexible water deliveries and storage
 - vi) Evaluate and improve efficiency of the suppliers pumps
 - c) Allows DWR to update the efficient water management practices in consultation with the Agricultural Water Management Council, the board, and the U.S. Bureau of Reclamation, after public hearings.
 - d) Conditions eligibility for water management grants and loans on an agricultural water suppliers' compliance with meeting the requirements for implementation of efficient water management practices.
- 4) Establish Agricultural Water Reporting Requirements
- a) Require agricultural water suppliers to:
 - i) Report to DWR in 2012 and every five years thereafter, on what practices have been implemented, and an estimate of the water savings expected.
 - ii) Submit documentation to DWR supporting a determination that practice is not locally cost effective or technically feasible.
 - b) Require DWR to report to the Legislature on 2013, 2016, and 2021 on the status of implementing the efficient water management practices and the associate water savings.

C. Establish Sustainable Water Management Provisions

- 1) State legislative intent to promote implementation of regional water resource management practices through increased incentives/removal of barriers and specifies potential changes.
- 2) Require DWR, in consultation with SWRCB, to develop new statewide targets or review and update existing targets for regional water resource management practices including but not limited to:
 - i) Recycled water
 - ii) Brackish or ocean desalination
 - iii) Infiltration and direct use of urban stormwater runoff.

Comments

This proposal includes four key components for promoting improvement in the statewide management of water resources – urban water conservation, CII (commercial, industrial, and institutional) water management, agricultural water management, and sustainable water management. Each of these components raises important issues for the committee.

A. Urban Water Conservation:

- **Statewide target:** This proposal would establish a statewide target to reduce urban per capita water use by 20 percent by 2020. This target is consistent with the governor’s proposal stated in his February 2008 letter to the Legislature. The Blue Ribbon Task Force’s Strategic Plan recommended enactment of legislation requiring “Urban water purveyors to implement measures to achieve a 20 percent reduction in urban per capita water use statewide throughout California by December 31, 2020.”

While most interest groups agree with the goal of improving efficient water use and water resources management, there is a dispute as to how best to do so. This proposal focuses on achieving the goal by greater water use efficiency – reducing demand. SB 261, which includes water use efficiency options, is focused more on improvements in water resources management – increasing regional supplies.

- **Urban water supplier targets.** This proposal would require urban retail water suppliers, individually or on a regional basis, to develop an urban water use target by December 31, 2010, would require each urban water supplier to meet their target by 2020, and to meet an interim target (half of their 2020 target) by 2015.

Flexibility or One size fits All. PAB 2 provides options in how water agencies can achieve higher levels of water conservation but requires those options to meet a per capita reduction in water use. The bill sets the “20 by 2020” target (and the interim 2015 target) for the entire state and then allows water agencies to choose one of three methods for determining their own water-use target for 2020. Water suppliers also can choose to join with a broader group of suppliers to meet the targets regionally. Finally the bill provides urban water suppliers with the option of shifting more water use to recycled water to meet their targets.

Nonetheless, many raise concerns about the urban water supplier targets in this proposal. Some argue that this proposal has a “one size fits all approach”, and is too stringent. Conversely, others assert the proposal is too weak and ineffective in meeting the 20% statewide target.

B. Commercial Industrial and Institutional (CII) Water Management

- This proposal would require an urban water supplier to meet a conservation target that could affect any urban sector of water use. The proposal would require urban water suppliers to avoid disproportionate impacts on any one sector and requires an open transparent process for all water customers to review and provide input into the water supplier implementation plan. One of the options for a supplier to develop a water use target includes a methodology for estimating reductions in each sector – which includes a 10% reduction in CII. This 10% reduction is part of the target development and does not dictate the method of implementing or meeting the target.

CII water users have raised concerns that the requirements of this proposal would adversely impact their production and could potentially force the companies to move out of state. In particular, some have suggested that “process” water may need to be treated differently than other CII water uses to avoid impacts on production. The Conference Committee may want to consider amendments that can increase protections for process water.

C. Agricultural Water Management

- **Efficient water use.** This proposal relies on implementation of efficient water management practices (EWMPs) for water use, which have been developed, at least in part, by the Agricultural Water Management Council (AWMC). The bill creates two EWMP categories: “critical” that must agricultural water suppliers (*e.g.* water management services and pricing structures) must implement by all and “additional” EWMPs that must be implemented if the measures are locally cost effective and technically feasible. The mandatory EWMPs are the same 6 measures currently required of all federal water contractors (such as Westlands WD and Friant WA) since 1992 under the Central Valley Project Improvement Act (CVPIA).
- **Agricultural Water Management Plans:** This proposal reauthorizes dormant provisions of the Water Code provisions that required agricultural water suppliers to prepare agricultural water management plans. The intent appears to be to place agricultural water suppliers on an equal footing with urban suppliers who have been required to prepare and submit water management plans for approximately 15 years. The Legislature previously approved this concept in three bills by former Senator Kuehl (2005-07). The Governor vetoed all three, mostly due to costs of comprehensive reporting/planning requirements in those bills.

One key difference between this proposal, the dormant provisions of current law, and previous years’ bills is the definition of “agricultural water suppliers” – the agencies that would be required to comply with these provisions. This proposal defines agricultural water suppliers as those with 10,000 acres of irrigated land. The previous definition was a supplier providing more than 50,000 acre-feet of water for agricultural purposes. The definition for federal water contractors served by the Central Valley Project is 2,000 acres or acre-feet served.. Agricultural interests oppose the lower threshold of 2,000 stating that Bureau of Reclamation essentially does all the work for those smaller agencies. The definition of “urban water supplier” puts the threshold at 3000 connections or 3000 acre-feet of deliveries. Previous years’ bills provided for DWR to determine the appropriate threshold for imposing requirements.

D. Sustainable Water Management

- One of the tensions among different interest groups is whether the water use efficiency program should include both demand reduction and increased water supplies and what type of mandates or incentives should be used to motivate compliance. This proposal begins to address those tensions by including Legislative intent language supporting incentives for sustainable water management and alternative water supplies such as brackish water desal and stormwater recovery. According to the author, the sponsors of both PAB 2 and SB 261 are continuing to discuss how to incorporate additional concepts and approaches related to water use efficiency and sustainable water management from SB 261 (Dutton & Ducheny) into PAB 2.

The Assembly Water, Parks & Wildlife Committee and the Senate Natural Resources & Water Committee collaborated in preparing this analysis.