

## **Making Water Conservation a California Way of Life**

### **Summary of Proposed Legislation**

In the 2014 California Water Action Plan, the Administration proposed ten broad actions to make California's water system more resilient to extreme weather cycles like the historic drought that is just ending. One of the ten actions is making water conservation a California way of life.

Last May, Governor Brown signed Executive Order B-37-16, which directed state agencies to develop a new approach to long-term water conservation that will make the state more resilient to future droughts. Today state agencies released a plan to make water conservation a way of life, including proposed legislation summarized below:

#### Water Conservation Standards and Use Reporting

The proposal establishes authorities and deadlines for setting new long-term standards for efficient urban water use. Specifically, the proposal:

- Requires the State Water Resources Control Board (State Water Board), in consultation with the Department of Water Resources (Department) to set long-term urban water use efficiency standards by May 20, 2021;
- Allows the State Water Board to set interim standards to ensure that progress begins before the long-term standards are adopted in 2021;
- Includes a robust public participation process to provide the State Water Board and Department with critical input from local agencies, tribal governments, non-governmental organizations, the business sector, academics, and others.

Key to the Executive Order is a requirement that the state's 409 urban water suppliers meet new water use targets. Rather than measuring water savings as a percentage reduction from a chosen baseline, the new standards recognize past investments by water suppliers in advancing conservation, and take into account the unique climatic, demographic and land use characteristics of each urban water agency's service area. The approach allows regions to develop an approach best suited for their community.

The proposal also authorizes the Board and local agencies to enforce the standards in the same manner that they have been able to enforce the Board's emergency conservation regulations during the drought. It also authorizes the Board to set emergency conservation regulations for one year instead of the current 270 days. This change will allow the Board to make future conservation determinations at the end of the winter when water conditions are known.



## Urban Water Shortage Contingency Planning

Under current law, urban water suppliers must include a water shortage contingency analysis as a component of their Urban Water Management Plan submitted to the Department of Water Resources, which must be updated every five years. Water shortage contingency planning is important because it can affect the basic health and safety of California residents. It can be costly for both the state and local communities to engage in last-minute, emergency efforts to alleviate water supply crises when they happen. Urban water suppliers should thoroughly evaluate the potential impacts on their water supplies of different water shortage scenarios. It is critical that water suppliers inform their customers of the risks and potential consequences of their plans.

Current planning efforts are not consistent across water agencies. Some urban water suppliers do a good job planning and others were unprepared to respond effectively to the supply shortages during the recent drought. Suppliers with adequate water shortage planning and well-defined contingency actions showed high levels of resiliency during the drought.

The proposed legislation will strengthen local drought resilience through improved planning and annual assessments. In addition, the proposed planning and assessment methods will allow local officials and their customers to understand the risks of water supply shortages from longer and more severe droughts and will improve the information sent to both customers and the state during drought conditions. Better planning and information will make communities more resilient and will reduce costs and impacts on customers in the wake of more frequent and severe drought conditions under climate change.

Additionally, urban water suppliers will be required to submit a Water Shortage Contingency Plan and conduct a Drought Risk Assessment every five years, and submit a water budget forecast annually.

## Agricultural Water Management Planning (AWMP)

Currently, agricultural water suppliers that provide water to more than 25,000 irrigated acres are required to (1) adopt and submit an Agricultural Water Management Plan to the Department, and (2) implement efficient water management practices including the measurement and volumetric pricing of water deliveries. Initial reports were due in 2012 and, beginning in 2015, Ag Water Management Plans must be updated every five years.

Additionally, agricultural water suppliers that provide water to 10,000 and up to 25,000 irrigated acres are currently not required to prepare and submit plans unless state funds are available to support the planning efforts. Current law also permits water suppliers that are contractors under the Reclamation Reform Act or Central Valley Project Improvement Act requirements to submit their federal plans in lieu of a plan meeting the criteria established in SB X7-7 (Chapter 4, Statutes of 2009).

Under the proposed legislation, agricultural water suppliers will be required to:

- Develop an annual water budget for the agricultural water service area;
- Identify agricultural water management objectives and implementation plans;



- Quantify measures to increase water use efficiency, and
- Develop an adequate drought plan for periods of limited supply.

The proposal will expand existing requirements to require agricultural water suppliers providing water to over 10,000 irrigated acres of land to prepare, adopt, and submit plans by April 1, 2021, and every five years thereafter. These plans will be reviewed by the Department, and compliance issues will be referred to the State Water Board.



An act to amend Sections 377, 1058.5, 1120, 1831, and 10608.20 of, and to add Chapter 9 (commencing with Section 10609) to Part 2.55 of Division 6 of, the Water Code, relating to water.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 377 of the Water Code is amended to read:

377. (a) From and after the publication or posting of any ordinance or resolution pursuant to Section 376, a violation of a requirement of a water conservation program adopted pursuant to Section 376 is a misdemeanor. A person convicted under this subdivision shall be punished by imprisonment in the county jail for not more than 30 days, or by a fine not exceeding one thousand dollars (\$1,000), or by both.

(b) A court or public entity may hold a person civilly liable in an amount not to exceed ten thousand dollars (\$10,000) for a violation of any of the following:

(1) An ordinance or resolution adopted pursuant to Section 376.

(2) ~~An emergency~~ A regulation adopted by the board under Section 1058.5,  
1058.5 or Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6,  
unless the board regulation provides that it cannot be enforced under this ~~section~~  
section or provides for a lesser applicable penalty.

(c) Commencing on the 31st day after the public entity notified a person of a violation described in subdivision (b), the person additionally may be civilly liable in an amount not to exceed ten thousand dollars (\$10,000) plus five hundred dollars (\$500) for each additional day on which the violation continues.

(d) Remedies prescribed in this section are cumulative and not alternative, except that no liability shall be recoverable under this section for any violation of paragraph (2) of subdivision (b) if the board has filed a complaint pursuant to Section 1846 alleging the same violation.





(e) A public entity may administratively impose the civil liability described in subdivisions (b) and (c) after providing notice and an opportunity for a hearing. The public entity shall initiate a proceeding under this subdivision by a complaint issued pursuant to Section 377.5. The public entity shall issue the complaint at least 30 days before the hearing on the complaint and the complaint shall state the basis for the proposed civil liability order.

(f) (1) In determining the amount of civil liability to assess, a court or public entity shall take into consideration all relevant circumstances, including, but not limited to, the nature and persistence of the violation, the extent of the harm caused by the violation, the length of time over which the violation occurs, and any corrective action taken by the violator.

(2) The civil liability calculated pursuant to paragraph (1) for the first violation of subdivision (b) by a residential water user shall not exceed one thousand dollars (\$1,000) except in extraordinary situations where the court or public entity finds all of the following:

(A) The residential user had actual notice of the requirement found to be violated.

(B) The conduct was intentional.

(C) The amount of water involved was substantial.

(g) Civil liability imposed pursuant to this section shall be paid to the public entity and expended solely for the purposes of this chapter.

(h) An order setting administrative civil liability shall become effective and final upon issuance of the order and payment shall be made. Judicial review of any final order shall be pursuant to Section 1094.5 of the Code of Civil Procedure.





(i) In addition to the remedies prescribed in this section, a public entity may enforce water use limitations established by an ordinance or resolution adopted pursuant to this chapter, or as otherwise authorized by law, by a volumetric penalty in an amount established by the public entity.

SEC. 2. Section 1058.5 of the Water Code is amended to read:

1058.5. (a) This section applies to any emergency regulation adopted by the board for which the board makes both of the following findings:

(1) The emergency regulation is adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.

(2) The emergency regulation is adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions.

(b) Notwithstanding Sections 11346.1 and 11349.6 of the Government Code, any findings of emergency adopted by the board, in connection with the adoption of an emergency regulation under this section, are not subject to review by the Office of Administrative Law.



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(c) An emergency regulation adopted by the board under this section may remain in effect for up to ~~270 days~~, one year, as determined by the board, and is deemed repealed immediately upon a finding by the board that due to changed conditions it is no longer necessary for the regulation to remain in effect. An emergency regulation adopted by the board under this section may be renewed if the board determines that the conditions specified in paragraph (2) of subdivision (a) are still in effect.

(d) In addition to any other applicable civil or criminal penalties, any person or entity who violates a regulation adopted by the board pursuant to this section is guilty of an infraction punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

(e) (1) Notwithstanding subdivision (b) of Section 1551 or subdivision (e) of Section 1848, a civil liability imposed under Chapter 12 (commencing with Section 1825) of Part 2 of Division 2 by the board or a court for a violation of an emergency conservation regulation adopted pursuant to this section shall be deposited, and separately accounted for, in the Water Rights Fund. Funds deposited in accordance with this subdivision shall be available, upon appropriation, for water conservation activities and programs.

(2) For purposes of this subdivision, an “emergency conservation regulation” means an emergency regulation that requires an end user of water, a water retailer, or a water wholesaler to conserve water or report to the board on water conservation. Water conservation includes restrictions or limitations on particular uses of water or a reduction in the amount of water used or served, but does not include curtailment of



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diversions when water is not available under the diverter's priority of right or reporting requirements related to curtailments.

SEC. 3. Section 1120 of the Water Code is amended to read:

1120. This chapter applies to any decision or order issued under this part or Section 275, Part 2 (commencing with Section 1200), Part 2 (commencing with Section 10500) of Division 6, Part 2.55 (commencing with Section 10608) of Division 6, or Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, or the public trust doctrine.

SEC. 4. Section 1831 of the Water Code is amended to read:

1831. (a) When the board determines that any person is violating, or threatening to violate, any requirement described in subdivision (d), the board may issue an order to that person to cease and desist from that violation.

(b) The cease and desist order shall require that person to comply forthwith or in accordance with a time schedule set by the board.

(c) The board may issue a cease and desist order only after notice and an opportunity for hearing pursuant to Section 1834.

(d) The board may issue a cease and desist order in response to a violation or threatened violation of any of the following:

(1) The prohibition set forth in Section 1052 against the unauthorized diversion or use of water subject to this division.

(2) Any term or condition of a permit, license, certification, or registration issued under this division.





(3) Any decision or order of the board issued under this part, Section 275, Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6, or Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, or Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, in which decision or order the person to whom the cease and desist order will be issued, or a predecessor in interest to that person, was named as a party directly affected by the decision or order.

(4) A regulation adopted ~~under Section 1058.5~~ by the board.

(5) Any extraction restriction, limitation, order, or regulation adopted or issued under Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6.

(6) Any diversion or use of water for cannabis cultivation if any of the following applies:

(A) A license is required, but has not been obtained, under Article 6 (commencing with Section 19331) of Chapter 3.5 of Division 8 of the Business and Professions Code.

(B) The diversion is not in compliance with an applicable limitation or requirement established by the board or the Department of Fish and Wildlife under Section 13149.

(C) The diversion or use is not in compliance with a requirement imposed under subdivision (d) or (e) of Section 19332.2 of the Business and Professions Code.

(e) This article does not alter the regulatory authority of the board under other provisions of law.

SEC. 5. Section 10608.20 of the Water Code is amended to read:

10608.20. (a) (1) Each urban retail water supplier shall develop urban water use targets and an interim urban water use target by July 1, 2011. Urban retail water



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suppliers may elect to determine and report progress toward achieving these targets on an individual or regional basis, as provided in subdivision (a) of Section 10608.28, and may determine the targets on a fiscal year or calendar year basis.

(2) It is the intent of the Legislature that the urban water use targets described in paragraph (1) cumulatively result in a 20-percent reduction from the baseline daily per capita water use by December 31, 2020.

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

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

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

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

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





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

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

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

- (A) Consider climatic differences within the state.
- (B) Consider population density differences within the state.
- (C) Provide flexibility to communities and regions in meeting the targets.
- (D) Consider different levels of per capita water use according to plant water needs in different regions.
- (E) Consider different levels of commercial, industrial, and institutional water use in different regions of the state.
- (F) Avoid placing an undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low.

(c) If the department adopts a regulation pursuant to paragraph (4) of subdivision (b) that results in a requirement that an urban retail water supplier achieve a reduction





in daily per capita water use that is greater than 20 percent by December 31, 2020, an urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may limit its urban water use target to a reduction of not more than 20 percent by December 31, 2020, by adopting the method described in paragraph (1) of subdivision (b).

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

(e) An urban retail water supplier shall include in its urban water management plan due in 2010 pursuant to Part 2.6 (commencing with Section 10610) the baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.

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

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

(h) (1) The department, through a public process and in consultation with the California Urban Water Conservation Council, shall develop technical methodologies





and criteria for the consistent implementation of this part, including, but not limited to, both of the following:

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

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

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

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

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





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

(2) An urban wholesale water supplier whose urban water management plan prepared pursuant to Part 2.6 (commencing with Section 10610) was due and not submitted in 2010 is granted an extension to July 1, 2011, to permit coordination between an urban wholesale water supplier and urban retail water suppliers.

(k) Nothing in this part limits the authority of the board to adopt standards for water conservation that are in addition to, or exceed, the standards provided under this part.

SEC. 6. Chapter 9 (commencing with Section 10609) is added to Part 2.55 of Division 6 of the Water Code, to read:

#### CHAPTER 9. URBAN WATER CONSERVATION STANDARDS AND USE REPORTING

10609. (a) The board, in consultation with the department, shall adopt long-term standards for urban water conservation and water use by May 20, 2021. The standards shall include, but are not limited to, standards for all of the following:

(1) Indoor residential water use.





(2) Outdoor irrigation in connection with domestic, industrial, institutional, or commercial water use.

(3) Industrial, institutional, and commercial water use.

(b) The board, in consultation with the department, may adopt interim standards for urban water conservation and water use pending the adoption of long-term standards pursuant to subdivision (a). The board, in consultation with the department, may update the interim standards as it determines to be reasonably necessary for purposes of this section, except that the board may not set new or revised standards under this subdivision after the board adopts long-term standards pursuant to subdivision (a) or May 20, 2021, whichever occurs first.

(c) (1) Long-term standards, and any amendments to those standards, adopted by the board pursuant to subdivision (a) shall be adopted in accordance with the regular rulemaking process provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) (A) Except for long-term standards, and any amendment to those standards, adopted pursuant to subdivision (a), regulations adopted by the board pursuant to this chapter, and any amendment or subsequent adjustment to those regulations, shall be adopted by the board as emergency regulations, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of regulations pursuant to this paragraph shall be deemed an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division





3 of Title 2 of the Government Code, an emergency regulation adopted by the board pursuant to this paragraph shall remain in effect until revised by the board.

(B) Before adopting an emergency regulation pursuant to this paragraph, the board shall provide at least 60 days for the public to review and comment on the proposed regulation and shall hold a public hearing.

(d) Notwithstanding Section 15300.2 of Title 14 of the California Code of Regulations, an action of the board taken under this chapter shall be deemed to be a Class 8 action, within the meaning of Section 15308 of Title 14 of the California Code of Regulations, provided that the action does not involve relaxation of existing water conservation or water use standards.

10609.2. The board may issue a regulation or informational order requiring a distributor of a public water supply, as that term is used in Section 350, to submit information relating to water production, water use, or water conservation.





## LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, \_\_\_\_\_.

General Subject: Urban water conservation standards and use reporting.

(1) Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified, and requires each agricultural water supplier to implement efficient water management practices.

This bill would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use by May 20, 2021. The bill would authorize the board, in consultation with the department, to adopt interim standards for urban water conservation and water use by emergency regulation. The bill would require the board, before adopting an emergency regulation, to provide at least 60 days for the public to review and comment on the proposed regulation and would require the board to hold



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a public hearing. The bill would authorize a court or public entity to hold a person civilly liable in an amount not to exceed \$10,000 for a violation of a regulation adopted under these provisions, unless the regulation provides otherwise.

The bill would also authorize the board to issue a regulation or informational order requiring a distributor of a public water supply to submit information relating to water production, water use, or water conservation.

(2) Existing law establishes procedures for reconsideration and amendment of specified decisions and orders of the board. Existing law authorizes any party aggrieved by a specified decision or order of the board to file, not later than 30 days from the date of final board action, a petition for writ of mandate for judicial review of the decision or order.

This bill would apply these procedures to decisions and orders of the board issued pursuant to the provisions described in paragraph (1), including existing provisions and those added by this bill.

(3) Existing law authorizes the board to issue a cease and desist order in response to a violation or threatened violation of certain requirements, including specified emergency regulations adopted by the board. Under existing law, a person who violates a cease and desist order of the board may be liable for each day in which the violation occurs, as specified. Revenue generated from these penalties is deposited in the Water Rights Fund. The moneys in the Water Rights Fund are available, upon appropriation by the Legislature, for, among other things, the administration of the board's water rights program.





This bill would authorize the board to issue a cease and desist order in response to a violation or threatened violation of any regulation adopted by the board.

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





An act to amend Sections 350, 531.10, 10610.2, 10610.4, 10620, 10621, 10630, 10631, 10631.2, 10635, 10640, 10641, 10642, 10644, 10645, 10650, 10651, 10653, 10654, 10656, 10814, 10820, 10826, and 10845 of, to amend and renumber Sections 10612 and 10617 of, to repeal Sections 10631.7 and 10853 of, to repeal and add Section 10632 of, and to add Sections 10612, 10617, 10617.5, 10632.1, 10632.2, 10632.3, and 10826.2 to, the Water Code, relating to water.





THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 350 of the Water Code is amended to read:

350. The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, ~~may~~ shall declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire ~~protection~~. protection or upon determining a water shortage level 4 or greater exists, as described in paragraph (2) of subdivision (a) of Section 10632.

SEC. 2. Section 531.10 of the Water Code is amended to read:

531.10. (a) An agricultural water supplier shall submit an annual report to the department that summarizes aggregated farm-gate delivery data, on a monthly or bimonthly basis, using best professional practices. For agricultural water suppliers providing water supplies to 10,000 or more irrigated acres, excluding recycled water, the report shall be organized by groundwater subbasin within the agricultural water supplier's service area, if applicable.

(b) Nothing in this article shall be construed to require the implementation of water measurement programs or practices that are not locally cost effective.

(c) It is the intent of the Legislature that the requirements of this section shall complement and not affect the scope of authority granted to the department or the board by provisions of law other than this article.

SEC. 3. Section 10610.2 of the Water Code is amended to read:



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10610.2. (a) The Legislature finds and declares all of the following:

(1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.

(2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.

(3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic ~~climate~~. climate and increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

(4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water ~~years~~. years now and into the foreseeable future and every urban water supplier should actively engage local land-use authorities to ensure water demand forecasts are consistent with current land-use planning.

(5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.

(6) Implementing effective water management strategies, including groundwater storage projects and recycled water projects, may require specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.





(7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modifications to existing treatment facilities.

(8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.

(9) The quality of source supplies can have a significant impact on water management strategies and supply reliability.

(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.

SEC. 4. Section 10610.4 of the Water Code is amended to read:

10610.4. The Legislature finds and declares that it is the policy of the state as follows:

(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.

(b) The management of urban water demands and efficient use of urban water supplies shall be a guiding criterion in public decisions.

(c) Urban water suppliers shall be required to develop water management plans ~~to actively pursue~~ achieve the efficient use of available supplies, supplies and strengthen local drought planning.

SEC. 5. Section 10612 of the Water Code is amended and renumbered to read:





~~10612.~~

10611.3. “Customer” means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses.

SEC. 6. Section 10612 is added to the Water Code, to read:

10612. “Drought risk assessment” means a method that examines water shortage risks for the next five or more consecutive years.

SEC. 7. Section 10617 of the Water Code is amended and renumbered to read:

~~10617.~~

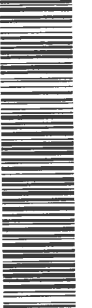
10618. “Urban water supplier” means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

SEC. 8. Section 10617 is added to the Water Code, to read:

10617. “Water budget forecast” means a method that looks at current year and one or more dry year supplies and demands for determining water shortage risks.

SEC. 9. Section 10617.5 is added to the Water Code, to read:

10617.5. “Water shortage contingency plan” means a document that incorporates the provisions detailed in subdivision (a) of Section 10632 and is subsequently adopted by an urban water supplier pursuant to this article.





SEC. 10. Section 10620 of the Water Code is amended to read:

10620. (a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d) (1) An urban water supplier may satisfy the requirements of this part by participation in areawide, regional, watershed, or basinwide urban water management planning where those plans will reduce preparation costs and contribute to the achievement of ~~conservation and conservation~~, efficient water use, use, and improved local drought resilience.

(2) Notwithstanding paragraph (1), each urban water supplier shall develop its own water shortage contingency plan but an urban water supplier may incorporate, collaborate, and otherwise share information with other urban water suppliers or other governing entities participating in area-wide, regional, watershed, or basin-wide urban water management plan, agricultural management plan, or groundwater sustainability plan development.

(2)



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(3) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

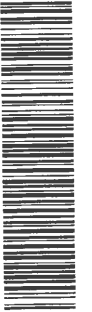
(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

SEC. 11. Section 10621 of the Water Code is amended to read:

10621. (a) Each urban water supplier shall update its plan at least once every five years on or before ~~December 31, July 1~~, in years ending in ~~five and zero~~, except ~~as provided in subdivisions (d) and (e):~~ six and one, incorporating updated and new information from the five years preceding each update.

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

(c) An urban water supplier regulated by the Public Utilities Commission shall include its most recent plan and water shortage contingency plan as part of the supplier's general rate case filings.





(e)

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

(d)

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

(e)

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

SEC. 12. Section 10630 of the Water Code is amended to read:

10630. It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water ~~supplied~~, supplied, while accounting for impacts from climate change.

SEC. 13. Section 10631 of the Water Code is amended to read:

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

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



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shall include the current and projected land uses within the existing or anticipated service area affecting the supplier's water management planning. Land use information shall be obtained from local or regional land-use authorities, as developed pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code.

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

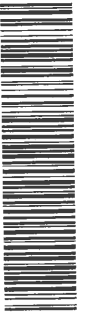
(1) For each source of water supply, while considering any information pertinent to the reliability analysis conduct pursuant to Section 10635, provide a detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the drought risk assessment.

(2) When multiple sources of water supply are identified, describe the management of each supply in correlation with the other identified supplies.

(3) For any planned sources of water supply, describe the measures that are being undertaken to acquire and develop those water supplies.

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

(1)





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

(2)

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as ~~overdrafted~~ a high- or medium-priority basin or has projected that the basin will become ~~overdrafted~~ a high- or medium-priority basin pursuant to Sections 10722.4 and 10933 if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to ~~eliminate the long-term overdraft condition.~~ coordinate with groundwater sustainability agencies to eliminate the undesirable results described in a groundwater sustainability plan pursuant to Section 10727.

(3)

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



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(4)

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

(E) A copy of any pertinent groundwater sustainability plans for groundwater basins underlying the urban water supplier's service area.

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

~~(A) An average water year.~~

~~(B) A single-dry water year.~~

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

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

(d)

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

(e)

(d) (1) Quantify, to the extent records are available, Quantify past and current water use, over the same five-year increments described in subdivision (a), and projected water use, use, based upon information developed pursuant to subdivision (a).



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identifying the uses among water use sectors, including, but not necessarily limited to, all of the ~~following uses:~~ following:

- (A) Single-family residential.
- (B) Multifamily.
- (C) Commercial.
- (D) Industrial.
- (E) Institutional and governmental.
- (F) Landscape.
- (G) Sales to other agencies.
- (H) Saline water intrusion barriers, groundwater recharge, or conjunctive use,

or any combination thereof.

- (I) Agricultural.
- (J) Distribution system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3) (A) ~~For the 2015 urban water management plan update, the distribution system water loss shall be quantified for the most recent 12-month period available. For all subsequent updates, the~~ The distribution system water loss shall be quantified for each of the five years preceding the plan update. update in accordance with rules adopted pursuant to Section 10608.34.

(B) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public





process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(C) After 2021, data to show whether the urban water supplier met the distribution loss standards enacted by the board pursuant to Section 10608.34.

(4) (A) ~~If available and applicable to an urban water supplier, water~~ Water use projections may projections, where available, shall display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

~~(f)~~

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

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





its water use targets pursuant to Section ~~10608.20~~. 10608.20 and any water use standards adopted by the board.

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

- (i) Water waste prevention ordinances.
- (ii) Metering.
- (iii) Conservation pricing.
- (iv) Public education and outreach.
- (v) Programs to assess and manage distribution system real loss.
- (vi) Water conservation program coordination and staffing support.
- (vii) Other demand management measures that have a significant impact on

water use as measured in gallons per capita per day, including innovative measures, if implemented.

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

~~(g)~~

(f) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply





available to the urban water supplier in ~~average, normal, single-dry, and multiple-dry water years, and for a period of drought lasting five or more consecutive water years.~~ The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

(h)

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

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

(j)

(h) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year





increments, and during various water-year types in accordance with subdivision ~~(e)~~. ~~(f)~~. An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and ~~(e)~~. ~~(f)~~.

SEC. 14. Section 10631.2 of the Water Code is amended to read:

10631.2. (a) In addition to the requirements of Section 10631, an urban water management plan ~~may, but is not required to,~~ shall include any of the following ~~information:~~ information that the urban water supplier can readily obtain:

- (1) An estimate of the amount of energy used to extract or divert water supplies.
- (2) An estimate of the amount of energy used to convey water supplies to the water treatment plants or distribution systems.
- (3) An estimate of the amount of energy used to treat water supplies.
- (4) An estimate of the amount of energy used to distribute water supplies through its distribution systems.
- (5) An estimate of the amount of energy used for treated water supplies in comparison to the amount used for nontreated water supplies.
- (6) An estimate of the amount of energy used to place water into or withdraw from storage.
- (7) Any other energy-related information the urban water supplier deems appropriate.

(b) The department shall include in its guidance for the preparation of urban water management plans a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems. The department may consider studies and





calculations conducted by the Public Utilities Commission in developing the methodology.

SEC. 15. Section 10631.7 of the Water Code is repealed.

~~10631.7. The department, in consultation with the California Urban Water Conservation Council, shall convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The panel shall consist of no more than seven members, who shall be selected by the department to reflect a balanced representation of experts. The panel shall have at least one, but no more than two, representatives from each of the following: retail water suppliers, environmental organizations, the business community, wholesale water suppliers, and academia. The panel shall be convened by January 1, 2009, and shall report to the Legislature no later than January 1, 2010, and every five years thereafter. The department shall review the panel report and include in the final report to the Legislature the department's recommendations and comments regarding the panel process and the panel's recommendations.~~

SEC. 16. Section 10632 of the Water Code is repealed.

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

~~(1) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that are applicable to each stage.~~





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

~~(3) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.~~

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

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

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

~~(7) An analysis of the impacts of each of the actions and conditions described in paragraphs (1) to (6), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.~~

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

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





~~(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.~~

SEC. 17. Section 10632 is added to the Water Code, to read:

10632. (a) Every urban water supplier shall prepare and adopt a water shortage contingency plan as part of its urban water management plan that consists of each of the following elements:

(1) The procedures used in conducting an annual water budget forecast that include, at a minimum, both of the following:

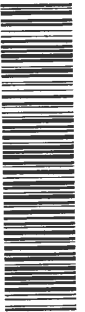
(A) The written decisionmaking process that an urban water supplier will use each year to determine its water supply reliability.

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one or more dry years, including all of the following:

(i) Current year unconstrained demand, considering weather, growth, and other influencing factors, such as policies to manage current supplies to meet demand objectives in future years, as applicable.

(ii) Current year available supply, considering hydrological and regulatory conditions in the current year and one or more dry years.

(iii) Existing infrastructure capabilities and plausible constraints.





(iv) A defined set of locally applicable evaluation criteria that are consistently relied upon for each annual water budget forecast.

(v) A description and quantification of each source of water supply.

(2) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages and greater than 50 percent shortage. Shortage levels shall also apply to catastrophic interruption of water supplies, including, but not limited to, a regional power outage, an earthquake, and other potential emergency events.

(3) Shortage response actions that align with the defined shortage levels and shall include, at a minimum, all of the following:

(A) Locally appropriate supply augmentation actions.

(B) Locally appropriate demand reduction actions to adequately respond to shortages.

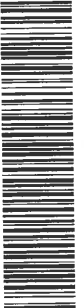
(C) Locally appropriate operational changes.

(D) Additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions.

(E) For each action, an estimate of the volume of water or percentage reduction in water use that will be achieved by implementation of the action.

(4) Communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding, at a minimum, all of the following:

(A) Any current or predicted shortages as determined by the annual water budget forecast as determined pursuant to Section 10632.1.





(B) Any shortage response actions triggered or anticipated to be triggered by the annual water budget forecast as determined pursuant to Section 10632.1.

(C) Any other relevant communications.

(5) Customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions as determined pursuant to Section 10632.2.

(6) (A) A description of the legal authorities that empower the urban water supplier to implement and enforce its shortage response actions specified in paragraph (3) that may include, but are not limited to, statutory authorities, ordinances, resolutions, and contract provisions.

(B) An urban water supplier shall declare a water shortage emergency in accordance with Chapter 3 (commencing with Section 350) of Division 1 in the event of either of the following:

(i) A water shortage level 4 or greater, as described in paragraph (2), is determined to exist.

(ii) A severe catastrophic interruption of the water supply of the urban water supplier has occurred.

(C) An urban water supplier shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency, as defined in Section 8558 of the Government Code.

(7) A description of the financial consequences of and responses for drought conditions, including, but not limited to, all of the following:

(A) A description of potential revenue reductions and expense increases associated with activated shortage response actions described in paragraph (3).





(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (3).

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

(8) Monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

(9) Reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency plan pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

(c) The urban water supplier shall make available the water shortage contingency plan prepared pursuant to this article to its customers and any city or county within which it provides water supplies no later than 30 days after adoption of the water shortage contingency plan.

SEC. 18. Section 10632.1 is added to the Water Code, to read:





10632.1. An urban water supplier shall conduct the annual water budget forecast pursuant to subdivision (a) of Section 10632 and, by the 10th day of May of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance, and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan.

SEC. 19. Section 10632.2 is added to the Water Code, to read:

10632.2. An urban water supplier shall adhere to the prescribed procedures and implement determined shortage response actions in its water shortage contingency plan as identified in subdivision (a) of Section 10632 in drought and water shortage conditions.

SEC. 20. Section 10632.3 is added to the Water Code, to read:

10632.3. The department may update the Urban Water Management Guidebook to include and further clarify, where necessary, the requirements contained in subdivision (a) of Section 10632.

SEC. 21. Section 10635 of the Water Code is amended to read:

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and ~~multiple dry water years~~. a drought lasting five or more consecutive water years. The water service





reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment for its water service to its customers as part of information considered in developing the demand management measures and water supply projects and programs to be included in the urban water management plan. The urban water supplier may conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. The drought risk assessment shall satisfy the following requirements:

(1) A description of data, methodology, and basis for one or more supply shortage conditions to conduct a drought risk assessment for a drought period that lasts five or more consecutive years, starting from the year following when the assessment is conducted.

(2) A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period. Potable reuse, recycled water, and desalination are considered fully reliable.

(3) Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

~~(b)~~

(c) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which





it provides water supplies no later than 60 days after the submission of its urban water management plan.

(e)

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

(d)

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

SEC. 22. Section 10640 of the Water Code is amended to read:

10640. (a) Every urban water supplier required to prepare a plan pursuant to this part shall prepare its plan pursuant to Article 2 (commencing with Section 10630). The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

~~The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.~~

(b) Every urban water supplier required to prepare a water shortage contingency plan shall prepare a water shortage contingency plan pursuant to Section 10632. The supplier shall likewise periodically review the water shortage contingency plan as required by paragraph (9) of subdivision (a) of Section 10632 and any amendments or changes required as a result of that review shall be adopted pursuant to this article.





SEC. 23. Section 10641 of the Water Code is amended to read:

10641. An urban water supplier required to prepare ~~a~~ an urban water management plan or a water shortage contingency plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water demand management methods and techniques.

SEC. 24. Section 10642 of the Water Code is amended to read:

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of both the plan: urban water management plan and the water shortage contingency plan. Prior to adopting ~~a~~ either plan, the urban water supplier shall make ~~the plan~~ both of the plans available for public inspection and shall hold a public hearing thereon. Prior to the hearing, notice of the time and place of hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The urban water supplier shall provide notice of the time and place of hearing to any city or county within which the supplier provides water supplies. Notices by a local public agency pursuant to this section shall be provided pursuant to Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code. A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing, the urban water management plan or water shortage contingency plan shall be adopted as prepared or as modified after the hearing.

SEC. 25. Section 10644 of the Water Code is amended to read:





10644. (a) (1) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

(2) The plan, or amendments to the plan, submitted to the department pursuant to paragraph (1) shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(b) If an urban water supplier revises its water shortage contingency plan, the supplier shall submit to the department a copy of its water shortage contingency plan prepared pursuant to subdivision (a) of Section 10632 no later than 30 days after adoption, in accordance with protocols for submission and using electronic reporting tools developed by the department.

~~(b)~~

(c) (1) (A) Notwithstanding Section 10231.5 of the Government Code, and except as provided in subparagraph (B), the department shall prepare and submit to the Legislature, on or before ~~December 31~~, July 1, in the years ending in ~~six and one~~, seven and two, a report summarizing the status of the plans adopted pursuant to this part. The report prepared by the department shall identify the exemplary elements of the individual plans. The department shall provide a copy of the report to each urban water supplier that has submitted its ~~plan~~ plans to the department. The department shall also





prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans submitted pursuant to this part.

(B) The department shall prepare and submit to the board, on or before June 1 of each year, a report summarizing the submitted water budget forecast results along with appropriate reported water shortage conditions and the regional and statewide analysis of water supply conditions developed by the department. As part of the report, the department shall provide a summary and, as appropriate, urban water supplier specific information regarding various shortage response actions implemented as a result of annual supplier-specific water budget forecast assessments performed pursuant to Section 10632.1. The report shall include enough information on the completeness and adequacy of the information submitted for the board to determine if noncompliance enforcement is necessary.

~~(B)~~

(C) The department shall submit the report to the Legislature for the 2015 plans by July 1, 2017, and the report to the Legislature for the 2020 plans by July 1, 2022.

(2) A report to be submitted pursuant to subparagraph (A) of paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(c) (1) For the purpose of identifying the exemplary elements of the individual plans, the department shall identify in the report water demand management measures adopted and implemented by specific urban water suppliers, and identified pursuant to Section 10631, that achieve water savings significantly above the levels established by the department to meet the requirements of Section 10631.5.





(2) The department shall distribute to the panel convened pursuant to Section 10631.7 the results achieved by the implementation of those water demand management measures described in paragraph (1).

(3) The department shall make available to the public the standard the department will use to identify exemplary water demand management measures.

SEC. 26. Section 10645 of the Water Code is amended to read:

10645. (a) Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

(b) Not later than 30 days after filing a copy of its water shortage contingency plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

SEC. 27. Section 10650 of the Water Code is amended to read:

10650. Any actions or ~~proceedings~~ proceedings, other than actions by the board, to attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the grounds of noncompliance with this part shall be commenced as follows:

(a) An action or proceeding alleging failure to adopt ~~a~~ an urban water management plan or a water shortage contingency plan shall be commenced within 18 months after that adoption is required by this part.

(b) Any action or proceeding alleging that ~~a~~ an urban water management plan or water shortage contingency plan, or action taken pursuant to ~~the~~ either plan, does not comply with this part shall be commenced within 90 days after filing of the urban





water management plan or water shortage contingency plan or an amendment thereto to either plan pursuant to Section 10644 or the taking of that action.

SEC. 28. Section 10651 of the Water Code is amended to read:

10651. In any action or proceeding to attack, review, set aside, void, or annul ~~a~~ an urban water management plan or a water shortage contingency plan, or an action taken pursuant to ~~the~~ either plan by an urban 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 supplier has not proceeded in a manner required by law or if the action by the water supplier is not supported by substantial evidence.

SEC. 29. Section 10653 of the Water Code is amended to read:

10653. The adoption of a plan shall satisfy any requirements of state law, regulation, or order, including those of the ~~State Water Resources Control Board~~ board and the Public Utilities Commission, for the preparation of water management ~~plans~~ plans, water shortage contingency plans, or conservation plans; provided, that if the ~~State Water Resources Control Board~~ board or the Public Utilities Commission requires additional information concerning ~~water conservation~~ conservation, drought response measures, and financial information to implement its existing authority, nothing in this part shall be deemed to limit the board or the commission in obtaining that information. The requirements of this part shall be satisfied by any urban water demand management plan ~~prepared to meet~~ that complies with analogous federal laws or regulations after the effective date of this part, and which substantially meets the requirements of this





part, or by any existing urban water management plan which includes the contents of a plan required under this part.

SEC. 30. Section 10654 of the Water Code is amended to read:

10654. An urban water supplier may recover in its rates the costs incurred in preparing its ~~plan~~ urban water management plan and its water shortage contingency plan and implementing the reasonable water conservation measures included in the ~~either plan~~. ~~Any best water management practice that is included in the plan that is identified in the "Memorandum of Understanding Regarding Urban Water Conservation in California" is deemed to be reasonable for the purposes of this section.~~

SEC. 31. Section 10656 of the Water Code is amended to read:

10656. An urban water supplier that does not prepare, adopt, and submit its urban water management plan or its water shortage contingency plan to the department in accordance with this part, is ineligible to receive funding pursuant to Division 24 (commencing with Section 78500) or Division 26 (commencing with Section 79000), or receive drought assistance from the state until the urban water management plan or water shortage contingency plan is submitted pursuant to this article.

SEC. 32. Section 10814 of the Water Code is amended to read:

10814. "Person" ~~means any individual, firm, association, organization, partnership, business, trust, corporation, company, public agency, or any agency of that entity.~~ has the same meaning as defined in Section 10614.

SEC. 33. Section 10820 of the Water Code is amended to read:

10820. (a) ~~An~~ (1) Except as provided in paragraph (2), an agricultural water supplier shall prepare and adopt an agricultural water management plan in the manner





set forth in this chapter on or before December 31, 2012, and shall update that plan on December 31, 2015, and on or before December 31 every five years thereafter.

(2) (A) The agricultural water management plan required to be updated on or before December 31, 2020, shall be updated on or before April 1, 2021. That plan shall satisfy the requirements of Section 10826.

(B) On and after April 1, 2021, an agricultural water supplier shall update its agricultural water management plan on or before April 1 in years ending in six and in years ending in one.

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

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

SEC. 34. Section 10826 of the Water Code is amended to read:

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

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

- (1) Size of the service area.
- (2) Location of the service area and its water management facilities.
- (3) Terrain and soils.
- (4) Climate.





- (5) Operating rules and regulations.
- (6) Water delivery measurements or calculations.
- (7) Water rate schedules and billing.
- (8) Water shortage allocation policies.

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

(1) Surface water ~~supply~~. supply, including drainage to the agricultural water supplier's service area.

(2) Groundwater supply.

(3) Other water ~~supplies~~. supplies, including recycled water.

(4) Source water quality monitoring practices.

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

(A) Agricultural.

(B) Environmental.

(C) Recreational.

(D) Municipal and industrial.

(E) Groundwater ~~recharge~~. recharge, including deep percolation from irrigation and seepage.

(F) Transfers and exchanges.

(G) Other water uses.

(6) Drainage from the agricultural water supplier's service area.

(7) Water accounting, including all of the following:



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(A) Quantifying the agricultural water supplier's projected water supplies  
supplies and uses identified pursuant to paragraph (5).

~~(B) Tabulating water uses.~~

(B) Quantifying the projected precipitation and private groundwater pumping  
that are not within the agricultural water supplier's management plan.

~~(C) Overall Annual service area water budget.~~ budgets for the previous five  
years.

~~(8) Water supply reliability.~~

(8) Water supply's water service reliability in average and drought conditions  
with water supply, infrastructure, institutional, and regulatory considerations.

(c) Include an analysis, based on available information, of the effect of climate  
change on future water supplies.

(d) Describe previous water management activities.

(e) Quantify measures to increase agricultural water use efficiency with the  
following elements:

~~(e) Include in the plan the water~~

(1) Water use efficiency information required pursuant to Section 10608.48.

(2) Measures the agricultural water supplier has implemented for improving  
efficiency of agricultural water use.

(3) The quantified overall efficiency of agricultural water use using methods  
provided by the department.

(f) Describe water management strategy with the following elements:





(1) Water management objectives for continued improvement and desired outcomes.

(2) Previous and planned actions and associated schedule to achieve the outcomes.

(3) Cost for implementation and financial considerations.

(4) Adaptive management.

SEC. 35. Section 10826.2 is added to the Water Code, to read:

10826.2. As part of its agricultural water management plan, each agricultural water supplier shall develop a drought plan for periods of limited water supply describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions. The drought plan shall contain both of the following:

(a) Resilience planning, including all of the following:

(1) Data, indicators, and information needed to determine the water supply availability and levels of drought severity.

(2) Analyses and identification of potential vulnerability to drought.

(3) Opportunities and constraints for further improving drought resilience.

(4) Planning objectives for drought resilience.

(5) Actions implemented and planned for achieving the objectives and a schedule for those actions.

(6) Cost information and financing considerations.

(b) Drought response planning, including all of the following:

(1) Policies and a process for declaring a water shortage and for implementing water shortage allocations and related response actions.



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(2) Response actions corresponding to different levels of water shortage, including, but not limited to, operational adjustments and demand management.

(3) Methods and procedures for the enforcement or appeal of, or exemption from, triggered shortage response actions.

(4) Methods and procedures for monitoring and evaluation of the effectiveness of the drought plan.

(5) Communication protocols and procedures to inform and coordinate customers, the public, interested parties, and local, regional, and state government.

(6) An analysis of the financial consequence of each of the actions and conditions described in paragraphs (1) to (5), inclusive, on the revenues and expenditures of the agricultural water supplier, and proposed measures to overcome those impacts, such as the development of reserve revenues.

SEC. 36. Section 10845 of the Water Code is amended to read:

10845. (a) The department shall prepare and submit to the Legislature, on or before ~~December 31, 2013~~, April 30, 2022, and thereafter in the years ending in ~~six~~ seven and years ending in ~~one, two~~, a report summarizing the status of the plans adopted pursuant to this part.

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

(c) The department shall provide a copy of the report to each agricultural water supplier that has submitted its plan to the department. The department shall also prepare





reports and provide data for any legislative hearing designed to consider the effectiveness of plans submitted pursuant to this part.

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

SEC. 37. Section 10853 of the Water Code is repealed.

~~10853. An agricultural water supplier that provides water to less than 25,000 irrigated acres, excluding recycled water, shall not 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.~~



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## LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, \_\_\_\_\_.

General Subject: Water management planning.

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

This bill would require an urban water management plan to be updated on or before July 1, in years ending in 6 and one, incorporating updated and new information from the 5 years preceding the plan update.

(2) Existing law requires an urban water management plan, among other things, to describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for an average, single-dry, and multiple-dry water years.



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This bill would require an urban water management plan to contain a drought risk assessment that examines water shortage risks for a drought lasting the next 5 or more consecutive years.

(3) Existing law requires that an urban water management plan provide an urban water shortage contingency analysis, that includes, among other things, an estimate of the minimum water supply available during each of the following 3 water years based on the driest 3-year historic sequence for the agency's water supply.

This bill would require an urban water supplier to prepare, adopt, and periodically review a water shortage contingency plan, as prescribed, and as part of its urban water management plan. The bill would require a water shortage contingency plan to consist of certain elements that are within the authority of the urban water supplier, including, among other things, annual water budget forecast procedures, standard water shortage levels, shortage response actions, and communication protocols and procedures. The bill would require an urban water supplier to make the water shortage contingency plan available to its customers and any city or county within which it provides water supplies no later than 30 days after adoption. The bill would require an urban water supplier to conduct an annual water budget forecast and submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan by the 10th day of May of each year. The bill would require an urban water supplier to adhere to the procedures and implement determined shortage response actions in its water shortage





contingency plan in drought and water shortage conditions. The bill would authorize the department to update a certain guidebook, as specified.

(4) Existing law requires an urban water supplier to submit copies of its urban water management plan and copies of amendments or changes to the plan to certain entities, including the Department of Water Resources, as prescribed. Existing law makes an urban water supplier that does not prepare, adopt, and submit its urban water management plan to the department as prescribed ineligible to receive certain funding.

This bill would extend these provisions to apply to a water shortage contingency plan. The bill would require an urban water supplier regulated by the Public Utilities Commission to include its most recent urban water management plan and water shortage contingency plan as part of its general rate case filings.

(5) Existing law requires the department to prepare and submit to the Legislature, on or before December 31, in the years ending in 6 and 1, a report summarizing the status of plans adopted pursuant to the act and to provide a copy of the report to each urban water supplier that has submitted its plan to the department.

The bill would instead require the department to prepare and submit the report about plans adopted pursuant to the act to the Legislature on or before July 1, in the years ending in 7 and 2. The bill would require the department to prepare and submit to the State Water Resources Control Board, on or before June 1 of each year, a report summarizing the submitted water budget forecast results along with appropriate reported water shortage conditions developed by the department and information regarding various shortage response actions implemented as a result of water budget forecast





assessments, as prescribed, for the board to determine if noncompliance enforcement is necessary.

(6) Existing law authorizes the governing body of a distributor of a public water supply to declare a water shortage emergency condition to prevail within the area served by the distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

This bill would instead require the governing body of a distributor of a public water supply to declare a water shortage emergency condition whenever it finds and determines the above-described circumstances or upon determining a water shortage of 40% or greater exists. The bill would require an urban water supplier to declare a water shortage emergency if either a water shortage of 40% or greater is determined to exist or in the event that a severe catastrophic interruption of the urban water supplier's water supply has occurred. The bill would require an urban water supplier to coordinate with any city or county within which it provides water supply services for a possible proclamation of a local emergency.

(7) Existing law requires an agricultural water supplier to prepare and adopt an agricultural water management plan with specified components on or before December 31, 2012, and to update those plans on or before December 31 every 5 years thereafter. Existing law requires the agricultural water supplier to submit copies of the plan to the department and other specified entities, and requires the department to prepare and





submit to the Legislature, on or before December 31 in years ending in 6 and years ending in one, a report summarizing the status of the plans.

This bill would revise the components of the plan and additionally require the agricultural water management plan to quantify measures to increase agricultural water use efficiency, describe the agricultural water supplier's water management strategy with specified elements, and include a drought plan describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions. The bill would require the 2020 plan to be updated on or before April 1, 2021, and after that date, would require an agricultural water supplier to update its agricultural water management plan on or before April 1 in years ending in 6 and in years ending in one. The bill would require the department to submit its report to the Legislature on or before April 30 in years ending in 7 and in years ending in 2.

(8) In addition to the above-described water management planning requirements described in (7), existing law requires an agricultural water supplier to implement specified efficient water management practices, but exempts from these provisions an agricultural water supplier that provides water to less than 25,000 irrigated acres. Existing law provides that an agricultural water supplier is not eligible for state water grants or loans unless the supplier complies with those water management planning requirements and the specified efficient water management practices.

This bill would repeal this exemption, thereby subjecting those agricultural water suppliers to the water management planning requirements and efficient water management practices and requiring those agricultural water suppliers to comply with





the water management planning practices and efficient water management practices to be eligible for state water grants and loans.

(9) Existing law requires an agricultural water supplier to submit an annual report to the department that summarizes aggregated farm-gate delivery data using best professional practices.

This bill, for agricultural water suppliers that provide water to 10,000 or more irrigated acres, would require the report to be organized by groundwater subbasin within the agricultural water supplier's service area.

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

