

AMENDED IN ASSEMBLY APRIL 21, 2009

AMENDED IN ASSEMBLY APRIL 16, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1465

Introduced by Assembly Member Hill

February 27, 2009

An act to amend Sections 10631, 10631.5, and 10633 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1465, as amended, Hill. Urban water management planning.

(1) Existing law requires every urban water supplier to prepare and adopt an urban water management plan, in accordance with specified requirements, for submission to the Department of Water Resources and other entities. An urban water supplier is required to provide information relating to the supplier's water demand management measures.

This bill would revise provisions relating to the information that the urban water supplier is required to include in the plan with regard to water demand management measures. The bill would require the urban water supplier to describe in the plan the opportunities for development of recycled water supplies, including opportunities for nonpotable and indirect potable reuse, and the opportunities for stormwater recapture and reuse as a long-term water supply.

(2) Existing law, with certain exceptions, requires the terms of, and eligibility for, a water management grant or loan, made to an urban water supplier and awarded or administered by the department, the State Water Resources Control Board, or the California Bay-Delta Authority

or its successor agency, to be conditioned on the implementation of the water demand management measures identified in the supplier's urban water management plan.

This bill would require the department to determine that an urban water supplier is eligible for a water management grant or loan, despite a failure to implement all of the water demand management measures identified in the urban water management plan, if the supplier submits to the department for approval documentation demonstrating that the supplier's proposed water demand management measures provide a level of water savings that is ~~equivalent to~~ *equal to or greater than* the savings provided by the implementation of measures identified in the plan or that the supplier lacks the authority to implement one or more of those measures.

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

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

- 1 SECTION 1. Section 10631 of the Water Code is amended to
- 2 read:
- 3 10631. A plan shall be adopted in accordance with this chapter
- 4 and shall do all of the following:
- 5 (a) Describe the service area of the supplier, including current
- 6 and projected population, climate, and other demographic factors
- 7 affecting the supplier's water management planning. The projected
- 8 population estimates shall be based upon data from the state,
- 9 regional, or local service agency population projections within the
- 10 service area of the urban water supplier and shall be in five-year
- 11 increments to 20 years or as far as data is available.
- 12 (b) Identify and quantify, to the extent practicable, the existing
- 13 and planned sources of water available to the supplier over the
- 14 same five-year increments described in subdivision (a). If
- 15 groundwater is identified as an existing or planned source of water
- 16 available to the supplier, all of the following information shall be
- 17 included in the plan:
- 18 (1) A copy of any groundwater management plan adopted by
- 19 the urban water supplier, including plans adopted pursuant to Part
- 20 2.75 (commencing with Section 10750), or any other specific
- 21 authorization for groundwater management.

(2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For those basins for which 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 or has projected that the basin will become overdrafted 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.

(3) 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.

(4) 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.

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

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

- 1 among water use sectors, including, but not necessarily limited to,
2 all of the following uses:
- 3 (A) Single-family residential.
 - 4 (B) Multifamily.
 - 5 (C) Commercial.
 - 6 (D) Industrial.
 - 7 (E) Institutional and governmental.
 - 8 (F) Landscape.
 - 9 (G) Sales to other agencies.
 - 10 (H) Saline water intrusion barriers, groundwater recharge, or
 - 11 conjunctive use, or any combination thereof.
 - 12 (I) Agricultural.
- 13 (2) The water use projections shall be in the same five-year
14 increments described in subdivision (a).
- 15 (f) Establish the goal of the urban water supplier for demand
16 management through implementation of the measures identified
17 in this subdivision, alternative equivalent demand management
18 measures, or an overall reduction in gallons per capita per day of
19 urban water use. The urban water supplier shall provide all of the
20 following:
- 21 (1) A description of each water demand management measure
22 that is currently being implemented, or scheduled for
23 implementation. Measures may include, but are not limited to, the
24 following:
 - 25 (A) Utility operations programs, including programs relating
26 to conservation coordination, water waste prevention, wholesale
27 agency assistance, pricing, metering, and water loss control.
 - 28 (B) Education and information programs, including programs
29 relating to school education and public information.
 - 30 (C) Residential programs, including programs relating to
31 residential assistance, landscape water surveys, high efficiency
32 clothes washer incentives, ordinances, and low-flow toilet
33 incentives.
 - 34 (D) Commercial, institutional, and industrial programs, including
35 programs relating to device-based incentives, audits, and process
36 improvement incentives.
 - 37 (E) Landscape programs, including programs relating to water
38 budgets, water use surveys, and financial incentives.
 - 39 (2) A schedule of implementation for all water demand
40 management measures proposed or described in the plan.

1 (3) An estimate of the water savings or reduction in gallons per
2 capita per day of urban water use that will be achieved through
3 implementation of the proposed demand management measures.

4 (4) A description of the methods, if any, that the supplier will
5 use to evaluate the effectiveness of water demand management
6 measures implemented or described in the plan.

7 (g) Evaluate any alternative demand management measures
8 being implemented by the supplier to provide a level of water
9 savings that is ~~equivalent to the~~ *equal to or greater than the water*
10 savings provided by implementation of the water demand
11 management measures listed in paragraph (1) of subdivision (f).

12 (h) Evaluate each water demand management measure listed in
13 paragraph (1) of subdivision (f) that is not currently being
14 implemented or scheduled for implementation due to lack of legal
15 authority or lack of cost effectiveness.

16 (i) Include a description of all water supply projects and water
17 supply programs that may be undertaken by the urban water
18 supplier to meet the total projected water use as established
19 pursuant to subdivision (a) of Section 10635. The urban water
20 supplier shall include a detailed description of expected future
21 projects and programs, other than the demand management
22 programs identified pursuant to paragraph (1) of subdivision (f),
23 that the urban water supplier may implement to increase the amount
24 of the water supply available to the urban water supplier in average,
25 single-dry, and multiple-dry water years. The description shall
26 identify specific projects and include a description of the increase
27 in water supply that is expected to be available from each project.
28 The description shall include an estimate with regard to the
29 implementation timeline for each project or program.

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

33 (k) Describe the opportunities for development of recycled water
34 supplies, including opportunities for nonpotable and indirect
35 potable reuse as a long-term water supply.

36 (l) Describe the opportunities for stormwater capture and reuse
37 as a long-term water supply.

38 (m) Urban water suppliers that are members of the California
39 Urban Water Conservation Council and submit annual reports to
40 that council in accordance with the "Memorandum of

1 Understanding Regarding Urban Water Conservation in
2 California,” dated December 2008, may submit the annual reports
3 identifying water demand management measures currently being
4 implemented, or scheduled for implementation, to satisfy the
5 requirements of subdivisions (f), (g), and (h).

6 (n) Urban water suppliers that rely upon a wholesale agency for
7 a source of water shall provide the wholesale agency with water
8 use projections from that agency for that source of water in
9 five-year increments to 20 years or as far as data is available. The
10 wholesale agency shall provide information to the urban water
11 supplier for inclusion in the urban water supplier’s plan that
12 identifies and quantifies, to the extent practicable, the existing and
13 planned sources of water as required by subdivision (b), available
14 from the wholesale agency to the urban water supplier over the
15 same five-year increments, and during various water-year types
16 in accordance with subdivision (c). An urban water supplier may
17 rely upon water supply information provided by the wholesale
18 agency in fulfilling the plan informational requirements of
19 subdivisions (b) and (c).

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

21 10631.5. (a) (1) Beginning January 1, 2009, the terms of, and
22 eligibility for, a water management grant or loan made to an urban
23 water supplier and awarded or administered by the department,
24 state board, or California Bay-Delta Authority or its successor
25 agency shall be conditioned on the implementation of the water
26 demand management measures described in Section 10631, as
27 determined by the department pursuant to subdivision (b).

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

35 (3) Notwithstanding paragraph (1), the department shall
36 determine that an urban water supplier is eligible for a water
37 management grant or loan even though the supplier is not
38 implementing all of the water demand management measures
39 described in Section 10631, if the urban water supplier has
40 submitted to the department for approval a schedule, financing

1 plan, and budget, to be included in the grant or loan agreement,
2 for implementation of the water demand management measures.
3 The supplier may request grant or loan funds to implement the
4 water demand management measures to the extent the request is
5 consistent with the eligibility requirements applicable to the water
6 management funds.

7 (4) (A) Notwithstanding paragraph (1), the department shall
8 determine that an urban water supplier is eligible for a water
9 management grant or loan even though the supplier is not
10 implementing all of the water demand management measures
11 described in Section 10631, if an urban water supplier submits to
12 the department for approval documentation demonstrating that the
13 supplier's proposed water demand management measures provide
14 a level of water savings that is ~~equivalent to the~~ *equal to or greater*
15 *than the water* savings provided by the implementation of the water
16 demand management measures listed in Section 10631, that a water
17 demand management measure is not cost effective, or that the
18 supplier lacks the authority to implement one or more of those
19 water demand management measures. If the department determines
20 that the documentation submitted by the urban water supplier fails
21 to meet these criteria, the department shall notify the urban water
22 supplier and the agency administering the grant or loan program
23 within 120 days that the documentation does not satisfy the
24 requirements for an exemption, and include in that notification a
25 detailed statement to support the determination.

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

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

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

1 (B) Recognize the different legal, technical, fiscal, and practical
2 roles and responsibilities of wholesale water suppliers and retail
3 water suppliers.

4 (2) (A) For the purposes of this section, the department shall
5 determine whether an urban water supplier is implementing all of
6 the water demand management measures described in Section
7 10631 based on either, or a combination, of the following:

8 (i) Compliance on an individual basis.

9 (ii) Compliance on a regional basis. Regional compliance shall
10 require participation in a regional conservation program consisting
11 of two or more urban water suppliers that achieves the level of
12 conservation or water efficiency savings ~~equivalent to~~ *equal to or*
13 *greater than* the amount of conservation or savings achieved if
14 each of the participating urban water suppliers implemented the
15 water demand management measures. The urban water supplier
16 administering the regional program shall provide participating
17 urban water suppliers and the department with data to demonstrate
18 that the regional program is consistent with this clause. The
19 department shall review the data to determine whether the urban
20 water suppliers in the regional program are meeting the eligibility
21 requirements.

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

24 (3) The department shall not deny eligibility to an urban water
25 supplier in compliance with the requirements of this section that
26 is participating in a multiagency water project, or an integrated
27 regional water management plan, developed pursuant to Section
28 75026 of the Public Resources Code, solely on the basis that one
29 or more of the agencies participating in the project or plan is not
30 implementing all of the water demand management measures
31 described in Section 10631.

32 (c) In establishing guidelines pursuant to the specific funding
33 authorization for any water management grant or loan program
34 subject to this section, the agency administering the grant or loan
35 program shall include in the guidelines the eligibility requirements
36 developed by the department pursuant to subdivision (b).

37 (d) Upon receipt of a water management grant or loan
38 application by an agency administering a grant and loan program
39 subject to this section, the agency shall request an eligibility
40 determination from the department with respect to the requirements

1 of this section. The department shall respond to the request within
2 60 days of the request.

3 (e) The urban water supplier may submit to the department
4 copies of its annual reports and other relevant documents to assist
5 the department in determining whether the urban water supplier
6 is implementing or scheduling the implementation of water demand
7 management activities. In addition, for urban water suppliers that
8 are signatories to the Memorandum of Understanding Regarding
9 Urban Water Conservation in California and submit biennial reports
10 to the California Urban Water Conservation Council in accordance
11 with the memorandum, the department may use these reports to
12 assist in tracking the implementation of water demand management
13 measures.

14 SEC. 3. Section 10633 of the Water Code is amended to read:

15 10633. The plan shall provide, to the extent available,
16 information on recycled water and its potential for use as a water
17 source in the service area of the urban water supplier. The
18 preparation of the plan shall be coordinated with local water,
19 wastewater, groundwater, and planning agencies that operate within
20 the supplier's service area, and shall include all of the following:

21 (a) A description of the wastewater collection and treatment
22 systems in the supplier's service area, including a quantification
23 of the amount of wastewater collected and treated and the methods
24 of wastewater disposal.

25 (b) A description of the quantity of treated wastewater that meets
26 recycled water standards, is being discharged, and is otherwise
27 available for use in a recycled water project.

28 (c) A description of the recycled water currently being used in
29 the supplier's service area, including, but not limited to, the type,
30 place, and quantity of use.

31 (d) A description and quantification of the potential uses of
32 recycled water, including, but not limited to, agricultural irrigation,
33 landscape irrigation, wildlife habitat enhancement, wetlands,
34 industrial reuse, indirect potable reuse, and other appropriate uses,
35 and a determination with regard to the technical and economic
36 feasibility of serving those uses.

37 (e) The projected use of recycled water within the supplier's
38 service area at the end of 5, 10, 15, and 20 years, and a description
39 of the actual use of recycled water in comparison to uses previously
40 projected pursuant to this subdivision.

- 1 (f) A description of actions, including financial incentives, which
- 2 may be taken to encourage the use of recycled water, and the
- 3 projected results of these actions in terms of acre-feet of recycled
- 4 water used per year.
- 5 (g) A plan for optimizing the use of recycled water in the
- 6 supplier's service area, including actions to facilitate the installation
- 7 of dual distribution systems, to promote recirculating uses, to
- 8 facilitate the increased use of treated wastewater that meets
- 9 recycled water standards, and to overcome any obstacles to
- 10 achieving that increased use.