



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: FEBRUARY 10, 2020

ITEM NO: 8

SUBJECT: UPDATE ON CALIFORNIA WATER EFFICIENCY LEGISLATION

ISSUE:

Receive an update on California's long-term water efficiency laws, Assembly Bill 1668 and Senate Bill 606.

RECOMMENDATION:

That the Board of Public Utilities receive an update on California's long-term water efficiency laws, Assembly Bill 1668 and Senate Bill 606.

LEGISLATIVE HISTORY:

From 2012 to 2017, California faced its worst drought on record. In 2014, Governor Brown made an emergency declaration and soon after, signed an Executive Order imposing statewide cutbacks on urban water use and mandatory reporting requirements on urban water suppliers. Riverside, at that time, was required to cut water use by 28%. The drought emergency declaration and water reduction mandates were rescinded in 2017.

Lessons learned from this drought pushed the State to move beyond temporary emergency drought measures and adopt permanent changes to use water more efficiently and prepare for California's cyclical droughts. On May 31, 2018, Governor Brown signed Assembly Bill (AB) 1668 and Senate Bill (SB) 606, also known as the "long-term water conservation laws". These laws establish new individualized water efficiency targets and strengthen planning requirements for water suppliers, as well as, set provisions for agricultural water management and drought planning for small systems. Moving beyond emergency water cutbacks, AB 1668 and SB 606 provide flexibility to water agencies on how to meet the efficiency objectives and defer implementation of drought emergency protocols on a local basis.

BACKGROUND:

The overall goal of AB 1668 and SB 606 is to make water conservation a way of life in California in light of the state's frequent cycles of drought. Many details for implementing the new laws are still being determined by the State Water Resources Control Board (SWRCB) and the Department of Water Resources (DWR) and will be set by 2022. There are no immediate impacts to customers.

The laws provide a framework for water agencies to set new, permanent, water use targets that include standards for the amount of water used indoors, the amount of water used outdoors (based on local climate) and for water lost to leaks in water systems.

DISCUSSION:

Under AB 1668, urban retail water suppliers must set and meet a water use target by 2023 for their service area that combines:

- An indoor standard of 55 gallons per person per day (based on population of service area) until 2025, at which becomes 52.5 gallons per capita per day (GPCD), and decreases to 50 GPCD by 2030
- An efficient outdoor water use standard for commercial landscape areas irrigated through a dedicated irrigation meter and residential landscapes based upon local climate
- A standard for water loss from leaks in the water system
- Plus:
 - Adjustments in the form of approved variances (including horses, livestock, fire protection, and agricultural use)
 - Credits for qualifying potable reuse (10-15% of urban water use objective)
 - “Potable reuse” means direct potable reuse for reservoir water augmentation and/or indirect potable reuse for groundwater recharge.

AB 1668 will also require additional commercial, industrial, and institutional (CII) water use regulations in the form of performance measures to help these business classes use water more efficiently. Businesses, like residential customers, will not be regulated on how much water they can use. Rather, the state will monitor compliance at the agency level. Performance measures may include, but are not limited to:

- Establishing a CII water use classification system;
- Minimum threshold for converting mixed CII meters to dedicated irrigation meters; and
- Best management practices including water audits and water management plans for CII customers above a certain size, volume of use, or other threshold.

These performance standards will be set by the SWRCB and DWR by 2022. Beginning in 2023, local water agencies will be responsible for ensuring their system-wide, aggregate water use meets their target. It will be up to agencies to determine how to best help their customers use water more efficiently so that the water agency can meet its overall objective. There is no requirement in these bills that individual households or businesses must adhere to a specific water use standard.

Drought Planning

SB 606 draws from lessons learned from the historic drought California faced, underlining the need to strengthen local drought resilience and improve response to the next drought. SB 606 brings forth changes to drought planning and defers implementation of drought emergency procedures on a local basis, removing the potential for future across-the-board mandated cutbacks urban water providers saw during Governor Brown's emergency drought declaration. In addition to meeting an aggregate water use objective, water suppliers will also need to meet a number of new drought contingency planning and reporting requirements as part of their Urban Water Management Plans (UWMP). Urban water providers will have to prepare, adopt, and submit a Water Shortage Contingency Plan based on six (6) standard stages and Drought Risk Assessment as part of their UWMP every five (5) years, in addition to conducting an annual water supply and demand assessment starting in 2023.

Enforcement

Initial water use targets are not required to be calculated and reported to DWR or SWRCB until November 1, 2023, and annually by November 1 thereafter. No fines will be imposed for non-compliance until November 2027. After November 2023, only Informational Orders may be issued by the SWRCB. In 2024, Notices of Failure may be issued by the SWRCB, directing water suppliers to address areas of concern in their next annual report. Notice of Violations will only be issued after 2027 and can result in fines of \$1,000 per day to a water agency, which can be increased to \$10,000 per day if violations occur during emergency drought conditions.

Impacts to Customers

There are no immediate impacts to customers. Over the next several years, water use targets will be set for Riverside Public Utilities (RPU) overall service area, not at the customer level, based on the standards developed by the SWRCB and DWR. Once the targets are established in 2022 and implementation begins in 2023, RPU will work with individual households and businesses to increase water efficiency through rebates, services, programs, or other means.

RPU looks forward to continuing its partnership with customers to implement these new laws and to make water efficiency a way of life. Riverside encourages all customers to always use water wisely and continues to offer rebates and services to help, including incentives to upgrade to more efficient toilets, clothes washers, and irrigation equipment.

FISCAL IMPACT:

There is no fiscal impact associated with this Board action.

Prepared by:	Todd L. Jorgenson, Utilities Assistant General Manager/Water
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Certifies availability of funds:	Brian Seinturier, Utilities Fiscal Manager
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Attachment:	Fact Sheet and FAQ document
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