



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MARCH 24, 2025

SUBJECT: UPDATE ON THE STATE WATER RESOURCES CONTROL BOARD'S ADOPTION OF "MAKING CONSERVATION A CALIFORNIA WAY OF LIFE" REGULATION

ISSUE:

Consider receiving an update on the State Water Resources Control Board's adoption of "Making Conservation a California Way of Life" regulation.

RECOMMENDATION:

That the Board of Public Utilities receive an update on the State Water Resources Control Board's adoption of "Making Conservation a California Way of Life" regulation.

LEGISLATIVE HISTORY:

Legislative timeline leading to the adoption of "Making Conservation a California Way of Life":

- 2009 – The Water Conservation Act of 2009 (Senate Bill x7-7) was enacted. It required all water suppliers to enhance efficiency and reduce per capita water use, aiming for a 20% statewide reduction by 2020.
- 2016 – Governor Brown Issued Executive Order B-37-16 entitled "Making Conservation a California Way of Life", requiring state agencies to prepare a conservation framework report that would set forth actions to use water more wisely, eliminate water waste, strengthen local drought resilience, and improve agricultural water use efficiency and drought planning.
- 2018 – Senate Bill 606 and Assembly Bill 1668 signed into law, requiring the development of a regulatory framework to achieve long-term water use.
- 2018 – State agencies released "Making Water Conservation a California Way of Life" primer, summarizing the legislation and setting a roadmap for implementation.
- 2022 – The Department of Water Resources (DWR) released recommendations for indoor and outdoor water use efficiency standards and commercial, industrial, and institutional (CII) performance measures.

- 2022 – Senate Bill 1157 signed, setting residential indoor water use standards to 47 gallons per person per day (GPCD) by 2025 and 42 GPCD by 2030, based on DWR recommendations.
- 2023 – The State Water Resources Control Board (SWRCB) released modifications to DWR's efficiency standards recommendations.
- 2024 – SWRCB adopts the regulation, "Making Conservation a California Way of Life".

BACKGROUND:

The "Making Conservation a California Way of Life" regulation aims to establish a regulatory framework for achieving long-term water use efficiency and address the challenges posed by climate change and the increasing frequency and severity of droughts in California. Under the new regulations, around 400 urban water suppliers will need to meet individualized water-use targets, among other performance standards and reporting requirements.

This new framework represents a departure from the previous one-size-fits-all approach to water management in California, such as the mandatory 25% statewide water reductions ordered by Governor Jerry Brown during the 2012-2016 drought. The new regulation allows suppliers to consider local factors like climate, population, and landscaped areas; and were collaboratively developed with stakeholder input over the past 6 years. This regulation also promises to lessen the need for enacting emergency water use reductions during drought episodes.

DISCUSSION:

On July 3, 2024, the SWRCB adopted the regulation titled "Making Conservation a California Way of Life." This regulation is designed to promote long-term water use efficiency in response to California's changing climate and the growing frequency and severity of droughts.

Under the regulation, urban retail water suppliers, including Riverside Public Utilities (RPU), must comply with four major components:

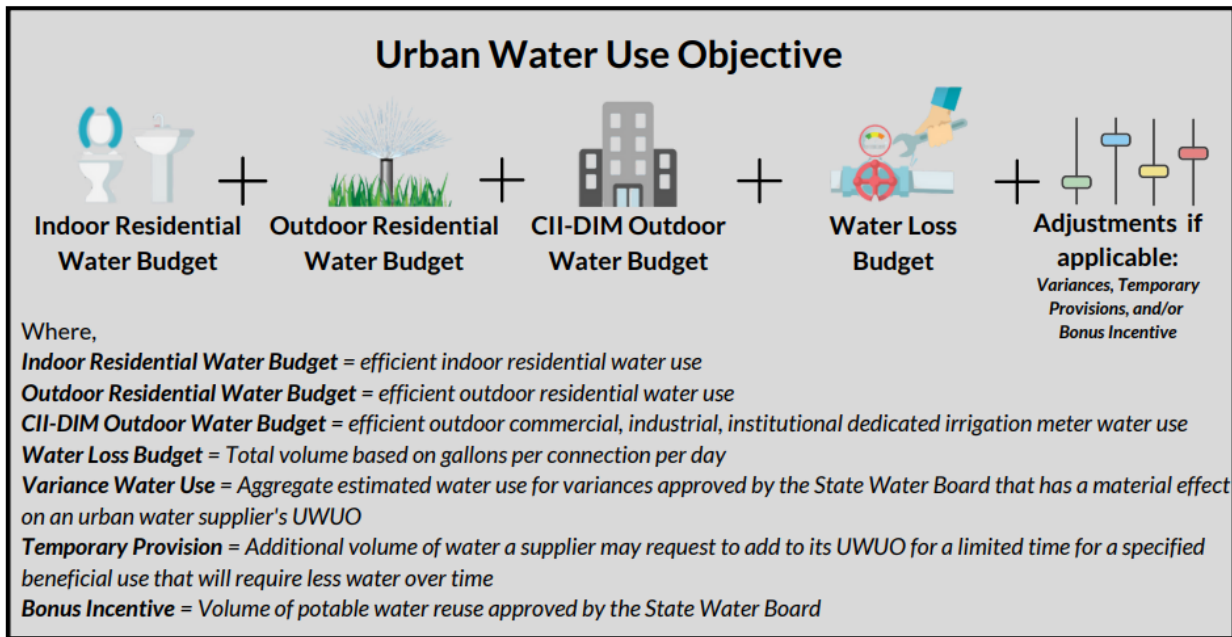
- A supplier-specific Urban Water Use Objective
- Commercial, Industrial, and Institutional (CII) performance measures
- Water Loss Performance Standard
- Annual reporting

Compliance will require coordination throughout the Water Utility, with all divisions potentially affected.

Urban Water Use Objective Summary

The Urban Water Use Objective (Objective) is a supplier-specific water budget that is the sum of water use efficiency standards for a sub-set of urban water uses, specifically: residential indoor water use, residential outdoor water use, CII landscapes with dedicated irrigation meters (CII-DIM) that measure outdoor irrigation, and supplier system real water loss. Excluded from the Objective are CII indoor water use, CII mixed-use meter accounts (lack dedicated irrigation

meters), apparent water losses (losses from accounting errors, slowing meters, etc.), and other uses. Suppliers need to meet the *overall* Objective, *not each* individual budget. The one exception is the budget for water loss, which was set by a separate regulation.



The performance standards adopted by the SWRCB incorporate local service area characteristics, such as population, climate, and landscape area. Adjustments to an Objective can be made via variances, temporary provisions, and/or a bonus incentive for potable reuse, where applicable per supplier. A variance or temporary provision must receive prior approval by submitting a request to the SWRCB. Notably, the regulation includes a variance for irrigating existing residential trees and temporary provisions for planting new, climate-ready trees and the establishment of qualifying landscapes July 1, 2040 and beyond.

Component 1: Indoor Residential Water Use Performance Standard

The indoor residential performance standard is calculated as follows:

$$\text{Indoor Standard (gallons per person per day)} \times \text{Service Area Population} \times 365 \text{ days}$$

This performance standard was codified by Senate Bill 1157 (2022) and will decline in future years to encourage indoor water use efficiency:

	Until Dec. 31. 2024	2025 through 2029	2030 and beyond
Gallons/person/day	55	47	42

Component 2: Outdoor Residential Water Use Performance Standard

The outdoor residential water use performance standard is calculated as follow:

$$\text{Suppliers Unique Climate} \times \text{Amount of Landscape Area in Service Area} \times \text{Efficiency Factor}$$

The amount of landscape area within each water suppliers' service area was calculated using 2018, 4-band aerial imagery and county assessor supplied parcel data. A landscape area analysis was conducted by the Department of Water Resources providing the irrigated landscape measurements that meet or exceed a 95% accuracy requirement across each water provider's service area. Like the indoor residential water standard, the outdoor standard will also become more stringent in upcoming years to encourage water use efficiency as follows:

	Through June 30, 2024	July 1, 2035 – June 30, 2040	July 1, 2040 and beyond
Landscape Efficiency Factor	0.8	0.63	0.55
Special Landscape Areas (SLA)	1.0	1.0	1.0
Newly Constructed Landscapes	0.55	0.55	0.55

Temporary provisions may be requested for water for existing pools, spas, similar features; water for planting new, climate-ready trees; and water for the establishment of qualifying landscapes.

Component 3: Commercial, Industrial, and Institutional Dedicated Irrigation Meter (CII-DIM) Outdoor Performance Standard

The CII-DIM standard is only applicable to CII landscapes served by dedicated irrigation meters. Like the other standards previously mentioned, the efficiency standards for CII-DIMs will become more stringent as follows:

	Through June 30, 2024	July 1, 2035 – June 30, 2040	July 1, 2040 and beyond
Landscape Efficiency Factor	0.8	0.63	0.45
Special Landscape Areas (SLA)	1.0	1.0	1.0
Newly Constructed Landscapes	0.45	0.45	0.45

Component 4: Water Loss Performance Standard

Part of the Objective also includes a water loss budget. The water loss performance standard is the maximum allowable "real" water loss measured in gallons per connection per day for each water system. Though water loss is a part of the Objective, it is unique in that it is also regulated under prior and independent 2015 legislation (Senate Bill 555) and can be enforced individually. The water loss standard is derived by entering a supplier's system-specific validated baseline water loss audit data (2017-2020 audit years) and other calculated data into the Water Loss Economic Model developed by the SWRCB. Riverside's water loss standard is 60.9 gallons per connection per day and is currently projected to meet compliance.

CII Performance Measures

In addition to the Objective, every urban supplier will need to comply with a set of CII performance measures. This element of the regulation does not focus on volumetric reduction, but rather emphasizes water use efficiency without negatively impacting businesses. The performance measures are intended to enable water-usage benchmarking per CII classification category, as well as establish best management practices for indoor and outdoor CII water use regardless of CII dedicated irrigation meter status.

These required CII Performance Measures include:

- Classifying a supplier's CII water customers in accordance with EnergyStar Portfolio Manager's categories
- Identifying all disclosable buildings and providing building owners with water use data
- Identifying all CII large landscapes (over 0.5 acres) that have mixed-use meters and install a dedicated irrigation meter (DIM) or employ in-lieu technologies such as a water budget-based management system or installation of water estimating technology
- Implement CII best management practices for the top CII water users

Best management practices are services and programs that water suppliers can offer to CII customers to increase water use efficiency both indoors and outdoors including:

- Outreach, technical assistance, and education
- Incentives (rebates, certifications, support for technologies that can improve water use management)
- Landscape practices/incentives
- Collaboration and coordination to implement conservation programming with various entities
- Operational changes such as deploying smart meters, data tracking and analysis

Reporting, Compliance and Enforcement

The regulation is in effect as of January 1, 2025. On this date and every January 1, thereafter, each urban retail water supplier is required to submit annual reporting requirements to the SWRCB and DWR that includes their Objective, actual water use for the specific water uses that make up the Objective, documentation of the implementation of CII performance measures and a description of progress made towards meeting their Objective. Each year, the Objective will be updated based on dynamic data such as weather, population, and newly constructed landscapes. Beginning January 1, 2027, each urban retail water supplier must demonstrate compliance with its Objective.

The SWRCB may issue information orders, written notices, conservation orders, or fines of \$1,000 to \$10,000 per day to urban retail suppliers that do not meet its Objective.

Riverside's Compliance Readiness

The City of Riverside (City) has been engaged with the development of the regulation since it was signed into law in 2018, participating in workshops, attending public hearings, and submitting formal comment letters during the rulemaking process. In preparation, the City has also calculated multiple compliance scenarios using conservative estimates to assess the City's performance for each of the Objective standards as they become more stringent through 2040.

Staff anticipates being in compliance with the overall Objective until 2035, when the City may exceed its budget between 3% to 7% without considering any additional conservation efforts or outreach campaigns. Efforts conducted by the City's Customer Engagement division are anticipated to bridge that gap and help the City meet its Objective.

Customer Engagement Efforts

Riverside Public Utilities' (RPU) Customer Engagement (CE) division assists both residential and

commercial customers increase their water use efficiency through a variety of programs, incentives, rebates, and education. The CE team is responsible for several critical tasks to help the City comply with the new long-term water use efficiency regulations. These tasks include:

- **Residential Indoor/Outdoor Water Use:** CE will continue to utilize existing water use efficiency programs and incentives for customers. Additionally, RPU's long-standing Smart Irrigation Program, focused on inefficient and high-water users, is currently under review. CE has also secured a two-year contract at no cost for a new water efficiency software called WaterView. This tool will allow the CE team to support the creation of outreach campaigns to target inefficient water users and provide customer-appropriate level of assistance, rebates, and incentives. In the future, programs may be expanded including potential new direct installation programs for various water saving devices.
- **CII Outdoor Water Use (Dedicated Irrigation Meters):** For CII customers with Dedicated Irrigation Meters (DIMs), landscape irrigation water budgets will be generated and compared to actual irrigation water usage, providing tailored assistance for customers watering more than their landscape needs. The CE team anticipates expanding current landscape and irrigation incentive programs, targeting inefficient water users, and may consider offering a Landscape Optimization Service Program for this customer type.
- **CII Mixed Use Meters (MUMS):** For commercial CII Mixed Use Meters (MUMs) with irrigated landscapes, the CE team will identify mixed use meters that serve properties with a minimum of 0.5 acres of irrigated area. Per the new regulations, CE will implement in-lieu technologies, which will work in concert with the required Best Management Practices (BMPs). In-lieu technologies include measures which are currently under consideration, such as hardware improvements, remote sensing, and other technologies to help CII customers with MUMs irrigate their landscapes more efficiently. BMPs include outreach, education, incentives, landscape measures, agency collaboration and operational enhancements, such as billing and data management.

RPU's CE team will also offer customer education and outreach to support the City's compliance with the new regulation. RPU will maintain its commitment to customer education through enhanced community engagement and expanded educational opportunities for local students.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority No. 4 - Environmental Stewardship** and **Goal 4.2 - Sustainability** manage local water resources to maximize reliability and advance water reuse to ensure safe, reliable, and affordable water to our community and **Strategic Priority No. 5 - High Performing Government** and **Goal 5.2 - Utilize technology, data, and process improvement strategies** to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographic areas of the City.

1. **Community Trust** – The City has been engaged in the development of this regulation since its inception, advocating for City's best interests.
2. **Equity** – Conservation and water use efficiency efforts are essential to ensuring all Californians have a reliable source of water, now and into the future.
3. **Fiscal Responsibility** – The City has analyzed the impact and implementation

requirements of the regulation, focusing on the most cost-effective solutions to ensure compliance. Conservation and water use efficiency efforts can also help keep water rates stable by reducing the need for costly new water supply projects and infrastructure expansions.

4. **Innovation** – To meet this new regulation, Riverside will deploy innovative solutions to address water loss, water use efficiency and ensure reliable supply.
5. **Sustainability & Resiliency** – This regulation aims to establish a framework for achieving long-term water use efficiency, addressing the ongoing challenges of climate change and droughts.

FISCAL IMPACT:

There is no fiscal impact to this update.

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Attachments:

1. Making Conservation a California Way of Life Regulation
2. Presentation