PURISIMA HILLS WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

6:30 P.M. THURSDAY JUNE 14, 2018

26375 FREMONT ROAD, LOS ALTOS HILLS CA 94022

Teleconference:
Robert N. Anderson
27820 Saddle Court.
Los Altos Hills, Ca
650-949-1109

Agenda

6:30 1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

6:35 2. COMMENTS FROM THE PUBLIC

6:40 3. CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and will be adopted in one motion, except for any item removed for separate consideration elsewhere on the agenda. The President will ask the Board and the audience for requests to remove these items.

A. APPROVAL OF MINUTES: REGULAR MEETING OF THE BOARD MAY 9, 2018

B. APPROVAL AND RATIFICATION OF MAY 2018 DISBURSEMENTS PAID IN JUNE 2018 IN ACCORDANCE WITH RESOLUTION 2013-9 (DISBURSEMENTS SIGNED BY DIRECTOR SOLOMON, PATRICK WALTER, AND RAYLENE COLLINS)

C. FINANCIAL REPORTS FOR: INCOME AND CAPITAL IMPROVEMENT PLANS MAY 2018 REVENUES AND EXPENDITURES, BALANCE SHEETS

6:45 4. DRAFT RATE STUDY PRESENTATION FROM BARTLE WELLS DISCUSSION/ACTION

7:15 5. DRAFT BUDGET FY 18/19 DISCUSSION

7:40 6. ENGINEER’S REPORT UPDATE

7:45 7. ATTORNEY’S REPORT UPDATE

7:50 8. STATE SENATE BILL 606 UPDATE

8:00 9. MANAGER’S REPORT UPDATE/DISCUSSION

A. FIELD REPORT

B. CUSTOMER COMMUNICATIONS
8:15 10. DIRECTORS’ REPORT DISCUSSION/ACTION
A. MEETING UPDATE OF THE PHWD COMMITTEE AND LOS ALTOS HILLS COUNTY FIRE DISTRICT (LAHCFD) COMMITTEE.

B. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA), ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES

C. DIRECTORS’ COMMENTS

8:30 11. AGENDA ITEMS FOR JULY 2018 BOARD MEETING DISCUSSION

8:35 12. ADJOURNMENT

ASSISTANCE FOR PERSONS WITH DISABILITIES
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District Secretary at 650-948-1217. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Copies of all agenda reports and supporting data are available for inspection at the District office, 26375 Fremont Road, Los Altos Hills, Ca. A complete agenda and minutes can also be found on the District’s website: http://www.purissimawater.org.
1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE** President Jordon called the regular meeting to order at 6:30 p.m. in the District office.

Directors Present: President Jordan, Directors Peter Evans, Ernie Solomon, Brian Holtz, and Robert N. Anderson (teleconference)

Staff Present: Patrick Walter, General Manager; Phil Witt, General Foreman, Brandon Laurie, Engineer, Pakpour Engineering; Joubin Pakpour, Engineer (teleconference); Catherine Groves, Attorney, Hanson Bridgett; and Ray Collins, Office Manager/District Secretary

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC** None

3. **CONSENT CALENDAR** It was moved by Director Solomon, seconded by Director Holtz, to approve the Consent Calendar. Motion approved unanimously – roll call vote.

4. **SANTA CLARA VALLEY WATER DISTRICT (SCVWD) AND STATE WATER ISSUES:**

   **GARY KREMEN** Mr. Kremen, a SCVWD Director, reported that SCVWD approved a second grant of $50,000 to PHWD for the purchase of more Beacon meters. He then summarized a new guiding principle in the State Water Fix that he initiated and that can benefit PHWD. This principle indirectly refunds State Water Fix property taxes paid by customers in water districts that receive 85% or more of their water from the Hetch Hetchy Reservoir. The principle allows SCVWD to provide matching rebates for conservation projects proposed by these districts. Mr. Kremen next discussed updates to the map of the Zone of Benefits Study which pertains to well recharge and fees paid by well users. Though PHWD does not manage wells, some of its customers may benefit from the updates. Mr. Kremen mentioned that he is working on programs that enhance SCADA security. He also offered his help in supporting District objectives.

5. **DISCUSS RATE STUDY PROPOSAL TO AMEND DISTRICT RATE AND FEE SCHEDULE**

   The GM reviewed proposals to conduct a rate study from two firms: Bartle Wells and Raftelis. After consideration of both proposals, it was moved by Director Holtz, seconded by Director Solomon, to accept the proposal from Bartle Wells and authorize the General Manager to sign the contract. Motion approved unanimously – roll call vote.

6. **AUTHORIZE ONE OR MORE DIRECTORS TO ATTEND THE SUSTAINABLE SILICON VALLEY “NAVIGATING BAY AREA WATER” SESSION MAY 31, 2018 IN PALO ALTO**

   Director Jordon said he wanted to attend the session and invited other Directors to join him. The registration fee is $65. It was moved by Director Holtz, seconded by Director Solomon, to approve funding the registration fee for any District Director attending the session. Motion approved unanimously – roll call vote.

7. **ENGINEER’S REPORT**

   A. **REVIEW AND APPROVAL OF CAPITAL IMPROVEMENT PROGRAM** The Engineer presented the updated 2018 CIP with a total cost of $18.9M. He explained that one project was added to the CIP but the project costs have increased substantially. He further explained project details and his reasons for prioritization. It was moved by Director Solomon, seconded by Director Holtz, to accept the updated 2018 Capital Improvement Program. Motion approved unanimously – roll call vote.
8. ATTORNEY’S REPORT Nothing to report.

9. MANAGER’S REPORT

A. FIELD REPORT

- **Chloramine Boost Station.** The GM received a submittal for the chlorine generation equipment. The goal is to have it installed within the month. The SCADA engineer is in the process of purchasing a PLC for Neary Tank site to get access to all of the alarms and various signals.
- **Altamont Electrical.** Triad and Holmes Surveyors surveyed the back hill from Altamont Tank site to Moody Ct. Two water mains and electrical lines are not located in the easement. Triad will develop necessary documents for new easements.
- **Matadero Pump Station.** DACO contractors poured concrete for the vault floor and walls.
- **Backflow.** A backflow was repaired after a construction truck knocked it over.
- **McCann Electrical Panel.** The panel was returned to repair deficiencies; vendor is still working on the panel. Estimated return is one to two weeks.
- **SCVWD Grant Proposal.** The GM received notification today that the proposal was approved by the SCVWD Board of Directors.
- **Auditors.** David Becker and his team completed the first phase of field work. The second phase of the field work is scheduled for the end of September.
- **Toyon Yard.** Started working on repairing flood damage and rehabilitation project. Staff and DACO cleaned out piles of dirt from various construction projects. The yard needs to be protected from overflows from the adjacent creek as well as paving for it to be functional during the winter.

B. CUSTOMER COMMUNICATIONS Nothing to report.

10. DIRECTORS’ REPORT

A. MEETING UPDATE OF THE PHWD COMMITTEE AND LOS ALTOS HILLS COUNTY FIRE DISTRICT (LAHCFD) COMMITTEE. Director Jordan reported that the Committees met on May 2, 2018 and agreed to meet again to review the District’s approved Updated 2018 CIP for projects of common interest. Director Evans remarked that the financing of any possible joint project should be considered in the rate study because of its potential positive impact on revenues.

B. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA), ACWA/JPIA, SCVWD, LAHCFD, AND OTHER AGENCY ISSUES. Nothing to report.

C. DIRECTORS’ COMMENTS Director Evans reported that he attended an earthquake safety awareness presentation sponsored by the Town of Los Altos Hills.

D. CONSIDER RESCHEDULING JUNE 13, 2018 MEETING. The meeting was moved to Thursday June 14, 2018.

11. AGENDA ITEMS FOR JUNE 2018 BOARD MEETING

12. ADJOURNMENT The meeting adjourned at 8:55 p.m.
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.

SEC. 2. * 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 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 maximum 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.

* SB 606
* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in **Strikeout Insert**
(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.

SECTION 1.† Section 531.10 of the Water Code is amended to read:

531.10. (a) (1) 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. The annual report for the prior year shall be submitted to the department by April 1 of each year. The annual report shall be organized by basin, as defined in Section 10721, within the service area of the agricultural water supplier, if applicable.

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

(3) The department shall post all reports on its Internet Web site in a manner that allows for comparisons across water suppliers. The department shall make the reports available for public viewing in a timely manner after it receives them.

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

† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(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. 2. † 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. 3. * 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.

(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.

† AB 1668
* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in **Strikeout** **Insert**
(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 diversions when water is not available under the diverter’s priority of right or reporting requirements related to curtailments.

SEC. 4. * 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. 3. † Section 1846.5 is added to the Water Code, to read:

1846.5. (a) An urban retail water supplier who commits any of the violations identified in subdivision (b) may be liable in an amount not to exceed the following, as applicable:

(1) If the violation occurs 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, ten thousand dollars ($10,000) for each day in which the violation occurs.

(2) For all violations other than those described in paragraph (1), one thousand dollars ($1,000) for each day in which the violation occurs.
(b) Liability pursuant to this section may be imposed for any of the following violations:

(1) Violation of an order issued under Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6.

(2) Violation of a regulation issued under Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6, if the violation occurs after November 1, 2027.

(c) Civil liability may be imposed by the superior court. The Attorney General, upon the request of the board, shall petition the superior court to impose, assess, and recover those sums.

(d) Civil liability may be imposed administratively by the board pursuant to Section 1055.

SEC. 4.† SEC. 5.* Section 10608.12 of the Water Code is amended to read:

10608.12. Unless the context otherwise requires, the following definitions govern the construction of this part:

(a) “Agricultural water supplier” means a water supplier, either publicly or privately owned, providing water to 10,000 or more irrigated acres, excluding recycled water. “Agricultural water supplier” includes a supplier or contractor for water, regardless of the basis of right, that distributes or sells water for ultimate resale to customers. “Agricultural water supplier” does not include the department.

(b) “Base daily per capita water use” means any of the following:

(1) The urban retail water supplier’s estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous 10-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(2) For an urban retail water supplier that meets at least 10 percent of its 2008 measured retail water demand through recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, the urban retail water supplier may extend the calculation described in paragraph (1) up to an additional five years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(3) For the purposes of Section 10608.22, the urban retail water supplier’s estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

(c) “Baseline commercial, industrial, and institutional water use” means an urban retail water supplier’s base daily per capita water use for commercial, industrial, and institutional users.

† AB 1668
* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(d) “CII water use” means water used by commercial water users, industrial water users, institutional water users, and large landscape water users.

(4) (e) “Commercial water user” means a water user that provides or distributes a product or service.

(4) (f) “Compliance daily per capita water use” means the gross water use during the final year of the reporting period, reported in gallons per capita per day.

(4) (g) “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(4) (h) “Gross water use” means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, excluding all of the following:

1. Recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier.

2. The net volume of water that the urban retail water supplier places into long-term storage.

3. The volume of water the urban retail water supplier conveys for use by another urban water supplier.

4. The volume of water delivered for agricultural use, except as otherwise provided in subdivision (f) of Section 10608.24.

(4) (i) “Industrial water user” means a water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development.

(4) (j) “Institutional water user” means a water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

(4) (k) “Interim urban water use target” means the midpoint between the urban retail water supplier’s base daily per capita water use and the urban retail water supplier’s urban water use target for 2020.

(l) “Large landscape” means a nonresidential landscape as described in the performance measures for CII water use adopted pursuant to Section 10609.10.

(4) (m) “Locally cost effective” means that the present value of the local benefits of implementing an agricultural efficiency water management practice is greater than or equal to the present value of the local cost of implementing that measure.

(n) “Performance measures” means actions to be taken by urban retail water suppliers that will result in increased water use efficiency by CII water users. Performance measures may

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
include, but are not limited to, educating CII water users on best management practices, conducting water use audits, and preparing water management plans. Performance measures do not include process water.

(o) “Potable reuse” means direct potable reuse, indirect potable reuse for groundwater recharge, and reservoir water augmentation as those terms are defined in Section 13561.

(p) “Process water” means water used by industrial water users for producing a product or product content or water used for research and development, including, but not limited to, continuous manufacturing processes, and water used for testing, cleaning, and maintaining equipment used in producing a product or product content. Water used to cool machinery or buildings used in the manufacturing process or necessary to maintain product quality or chemical characteristics for product manufacturing or control rooms, data centers, laboratories, clean rooms, and other industrial facility units that are integral to the manufacturing or research and development process is process water. Process water does not mean incidental water uses not related to the production of a product or product content, including, but not limited to, water used for restrooms, landscaping, air conditioning, heating, kitchens, and laundry uses.

(q) “Recycled water” means recycled water, as defined in subdivision (n) of Section 13050, that is used to offset potable demand, including recycled water supplied for direct use and indirect potable reuse, that meets the following requirements, where applicable:

(1) For groundwater recharge, including recharge through spreading basins, water supplies that are all of the following:

(A) Metered.

(B) Developed through planned investment by the urban water supplier or a wastewater treatment agency.

(C) Treated to a minimum tertiary level.

(D) Delivered within the service area of an urban retail water supplier or its urban wholesale water supplier that helps an urban retail water supplier meet its urban water use target.

(2) For reservoir augmentation, water supplies that meet the criteria of paragraph (1) and are conveyed through a distribution system constructed specifically for recycled water.

(n)
“Regional water resources management” means sources of supply resulting from watershed-based planning for sustainable local water reliability or any of the following alternative sources of water:

(1) The capture and reuse of stormwater or rainwater.
(2) The use of recycled water.
(3) The desalination of brackish groundwater.
(4) The conjunctive use of surface water and groundwater in a manner that is consistent with the safe yield of the groundwater basin.

“Reporting period” means the years for which an urban retail water supplier reports compliance with the urban water use targets.

“Urban retail water supplier” means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

“Urban water use objective” means an estimate of aggregate efficient water use for the previous year based on adopted water use efficiency standards and local service area characteristics for that year, as described in Section 10609.20.

“Urban water use target” means the urban retail water supplier’s targeted future daily per capita water use.

“Urban wholesale water supplier,” means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

SEC. 5.† SEC. 6.* 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 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.

† AB 1668
* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(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.

† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in **Strikeout** **Insert**
(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.

SEC. 7. * Section 10608.35 is added to the Water Code, to read:

10608.35. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and make a recommendation to the Legislature, by January 1, 2020, on the feasibility of developing and enacting water loss reporting requirements for urban wholesale water suppliers.

(b) The studies and investigations shall include an evaluation of the suitability of applying the processes and requirements of Section 10608.34 to urban wholesale water suppliers.

(c) In conducting necessary studies and investigations and developing its recommendation, the department shall solicit broad public participation from stakeholders and other interested persons.

* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
SEC. 6. † Section 10608.48 of the Water Code is amended to read:

10608.48. (a) On or before July 31, 2012, an agricultural water supplier shall implement efficient water management practices pursuant to subdivisions (b) and (c).

(b) Agricultural water suppliers shall implement all **both** of the following critical efficient management practices:

1. Measure the volume of water delivered to customers with sufficient accuracy to comply with subdivision (a) of Section 531.10 and to implement paragraph (2).

2. Adopt a pricing structure for water customers based at least in part on quantity delivered.

(c) Agricultural water suppliers shall implement additional efficient management practices, including, but not limited to, practices to accomplish all of the following, if the measures are locally cost effective and technically feasible:

1. Facilitate alternative land use for lands with exceptionally high water duties or whose irrigation contributes to significant problems, including drainage.

2. Facilitate use of available recycled water that otherwise would not be used beneficially, meets all health and safety criteria, and does not harm crops or soils.

3. Facilitate the financing of capital improvements for on-farm irrigation systems.

4. Implement an incentive pricing structure that promotes one or more of the following goals:

   (A) More efficient water use at the farm level.

   (B) Conjunctive use of groundwater.

   (C) Appropriate increase of groundwater recharge.

   (D) Reduction in problem drainage.

   (E) Improved management of environmental resources.

   (F) Effective management of all water sources throughout the year by adjusting seasonal pricing structures based on current conditions.

5. Expand line or pipe distribution systems, and construct regulatory reservoirs to increase distribution system flexibility and capacity, decrease maintenance, and reduce seepage.

6. Increase flexibility in water ordering by, and delivery to, water customers within operational limits.

7. Construct and operate supplier spill and tailwater recovery systems.

† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in **Strikeout Insert**
(8) Increase planned conjunctive use of surface water and groundwater within the supplier service area.

(9) Automate canal control structures.

(10) Facilitate or promote customer pump testing and evaluation.

(11) Designate a water conservation coordinator who will develop and implement the water management plan and prepare progress reports.

(12) Provide for the availability of water management services to water users. These services may include, but are not limited to, all of the following:

   (A) On-farm irrigation and drainage system evaluations.

   (B) Normal year and real-time irrigation scheduling and crop evapotranspiration information.

   (C) Surface water, groundwater, and drainage water quantity and quality data.

   (D) Agricultural water management educational programs and materials for farmers, staff, and the public.

(13) Evaluate the policies of agencies that provide the supplier with water to identify the potential for institutional changes to allow more flexible water deliveries and storage.

(14) Evaluate and improve the efficiencies of the supplier’s pumps.

(d) Agricultural water suppliers shall include in the agricultural water management plans required pursuant to Part 2.8 (commencing with Section 10800) a report on which efficient water management practices have been implemented and are planned to be implemented, an estimate of the water use efficiency improvements that have occurred since the last report, and an estimate of the water use efficiency improvements estimated to occur five and 10 years in the future. If an agricultural water supplier determines that an efficient water management practice is not locally cost effective or technically feasible, the supplier shall submit information documenting that determination.

(e) The department shall require information about the implementation of efficient water management practices to be reported using a standardized form developed pursuant to Section 10608.52.

(f) An agricultural water supplier may meet the requirements of subdivisions (d) and (e) by submitting to the department a water conservation plan submitted to the United States Bureau of Reclamation that meets the requirements described in Section 10828.

(g) On or before December 31, 2013, December 31, 2016, and December 31, 2021, the department, in consultation with the board, shall submit to the Legislature a report on the agricultural efficient water management practices that have been implemented and are planned to be implemented and an assessment of the manner in which the implementation of those efficient practices have been accomplished.

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
water management practices has affected and will affect agricultural operations, including estimated water use efficiency improvements, if any.

(h) The department may update the efficient water management practices required pursuant to subdivision (c), in consultation with the Agricultural Water Management Council, the United States Bureau of Reclamation, and the board. All efficient water management practices for agricultural water use pursuant to this chapter shall be adopted or revised by the department only after the department conducts public hearings to allow participation of the diverse geographical areas and interests of the state.

(i) (1) The department shall adopt regulations that provide for a range of options that agricultural water suppliers may use or implement to comply with the measurement requirement in paragraph (1) of subdivision (b).

(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.

SEC. 7.† 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 Use Objectives and Water Use Reporting

10609. (a) The Legislature finds and declares that this chapter establishes a method to estimate the aggregate amount of water that would have been delivered the previous year by an urban retail water supplier if all that water had been used efficiently. This estimated aggregate water use is the urban retail water supplier’s urban water use objective. The method is based on water use efficiency standards and local service area characteristics for that year. By comparing the amount of water actually used in the previous year with the urban water use objective, local urban water suppliers will be in a better position to help eliminate unnecessary use of water; that is, water used in excess of that needed to accomplish the intended beneficial use.

(b) The Legislature further finds and declares all of the following:

(1) This chapter establishes standards and practices for the following water uses:

(A) Indoor residential use.

(B) Outdoor residential use.

† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(C) CII water use.

(D) Water losses.

(E) Other unique local uses and situations that can have a material effect on an urban water supplier’s total water use.

(2) This chapter further does all of the following:

(A) Establishes a method to calculate each urban water use objective.

(B) Considers recycled water quality in establishing efficient irrigation standards.

(C) Requires the department to provide or otherwise identify data regarding the unique local conditions to support the calculation of an urban water use objective.

(D) Provides for the use of alternative sources of data if alternative sources are shown to be as accurate as, or more accurate than, the data provided by the department.

(E) Requires annual reporting of the previous year’s water use with the urban water use objective.

(F) Provides a bonus incentive for the amount of potable recycled water used the previous year when comparing the previous year’s water use with the urban water use objective, of up to 10 percent of the urban water use objective.

(3) This chapter requires the department and the board to solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter.

(4) This chapter preserves the Legislature’s authority over long-term water use efficiency target setting and ensures appropriate legislative oversight of the implementation of this chapter by doing all of the following:

(A) Requiring the Legislative Analyst to conduct a review of the implementation of this act, including compliance with the adopted standards and regulations, accuracy of the data, use of alternate data, and other issues the Legislative Analyst deems appropriate.

(B) Stating legislative intent that the director of the department and the chairperson of the board appear before the appropriate Senate and Assembly policy committees to report on progress in implementing this chapter.

(C) Providing one-time-only authority to the department and board to adopt water use efficiency standards, except as explicitly provided in this chapter. Authorization to update the standards shall require separate legislation.

(c) It is the intent of the Legislature that the following principles apply to the development and implementation of long-term standards and urban water use objectives:
(1) Local urban retail water suppliers should have primary responsibility for meeting standards-based water use targets, and they shall retain the flexibility to develop their water supply portfolios, design and implement water conservation strategies, educate their customers, and enforce their rules.

(2) Long-term standards and urban water use objectives should advance the state’s goals to mitigate and adapt to climate change.

(3) Long-term standards and urban water use objectives should acknowledge the shade, air quality, and heat-island reduction benefits provided to communities by trees through the support of water-efficient irrigation practices that keep trees healthy.

(4) The state should identify opportunities for streamlined reporting, eliminate redundant data submissions, and incentivize open access to data collected by urban and agricultural water suppliers.

10609.2. (a) The board, in coordination with the department, shall adopt long-term standards for the efficient use of water pursuant to this chapter on or before June 30, 2022.

(b) Standards shall be adopted for all of the following:

(1) Outdoor residential water use.

(2) Outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use.

(3) A volume for water loss.

(c) When adopting the standards under this section, the board shall consider the policies of this chapter and the proposed efficiency standards’ effects on local wastewater management, developed and natural parklands, and urban tree health. The standards and potential effects shall be identified by May 30, 2022. The board shall allow for public comment on potential effects identified by the board under this subdivision.

(d) The long-term standards shall be set at a level designed so that together with the standard for indoor residential water use, the standards together the water use objectives, together with other demands excluded from the long-term standards such as CII indoor water use and CII outdoor water use not connected to a dedicated landscape meter, would exceed the statewide conservation targets required pursuant to Chapter 3 (commencing with Section 10608.16).

(e) The board, in coordination with the department, shall adopt by regulation variances recommended by the department pursuant to Section 10609.14 and guidelines and methodologies pertaining to the calculation of an urban retail water supplier’s urban water use objective recommended by the department pursuant to Section 10609.16.

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
AB 1668 (FRIEDMAN) (5/3/18) & SB 606 (HERTZBERG) (AS TO BE AMENDED 5/7/18)

AS AMENDS CURRENT LAW & MERGED

10609.4. (a) (1) Until January 1, 2025, the standard for indoor residential water use shall be 55 gallons per capita daily.

(2) Beginning January 1, 2025, and until January 1, 2030, the standard for indoor residential water use shall be the greater of 52.5 gallons per capita daily or the recommendation made pursuant to subdivision (b).

(3) Beginning January 1, 2030, the standard for indoor residential water use shall be the greater of 50 gallons per capita daily or the recommendation made pursuant to subdivision (b).

(b) (1) The department, in coordination with the board, shall conduct necessary studies and investigations and may jointly recommend to the Legislature a standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the standard described in subdivision (a). The results of the studies and investigations shall be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2021, and shall include information necessary to support the recommended standard, if there is one. The studies and investigations shall also include an analysis of the benefits and impacts of how the changing indoor residential water use efficiency standard will impact water and wastewater management, including potable water usage, wastewater, recycling and reuse systems, infrastructure, operations, and supplies.

(2) The studies, investigations and reports described in paragraph (1) shall include collaboration with, and input from a broad group of stakeholders, including, but not limited to, environmental groups, experts in indoor plumbing, and water, wastewater, and recycled water agencies.

10609.6. (a) (1) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, standards for outdoor residential use for adoption by the board in accordance with this chapter.

(2) (A) The standards shall incorporate the principles of the model water efficient landscape ordinance adopted by the department pursuant to the Water Conservation in Landscaping Act (Article 10.8 (commencing with Section 65591) of Chapter 3 of Division 1 of Title 7 of the Government Code).

(B) The standards shall apply to irrigable lands.

(C) The standards shall include provisions for swimming pools, spas, and other water features. Ornamental water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, shall be analyzed separately from swimming pools and spas.

(b) The department shall, by January 1, 2021, provide each urban retail water supplier with data regarding the area of residential irrigable lands in a manner that can reasonably be applied to the standards adopted pursuant to this section.

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(c) The department shall not recommend standards pursuant to this section until it has conducted pilot projects or studies, or some combination of the two, to ensure that the data provided to local agencies are reasonably accurate for the data’s intended uses, taking into consideration California’s diverse landscapes and community characteristics.

10609.8. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, standards for outdoor irrigation of landscape areas with dedicated irrigation meters or other means of calculating outdoor irrigation use in connection with CII water use for adoption by the board in accordance with this chapter.

(b) The standards shall incorporate the principles of the model water efficient landscape ordinance adopted by the department pursuant to the Water Conservation in Landscaping Act (Article 10.8 (commencing with Section 65591) of Chapter 3 of Division 1 of Title 7 of the Government Code).

(c) The standards shall include an exclusion for water for commercial agricultural use meeting the definition of subdivision (b) of Section 51201 of the Government Code.

10609.9. For purposes of Sections 10609.6 and 10609.8, “principles of the model water efficient landscape ordinance” means those provisions of the model water efficient landscape ordinance applicable to the establishment or determination of the amount of water necessary to efficiently irrigate a landscape, both new and existing landscapes. Such provisions include, but are not limited to, all of the following:

(a) Evapotranspiration adjustment factors, as applicable.

(b) Landscape area.

(c) Maximum applied water allowance.

(d) Reference evapotranspiration.

(e) Special landscape areas, including the type provisions governing evapotranspiration adjustment factors for different types of water used for irrigating the landscape.

10609.10. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, performance measures for CII water use for adoption by the board in accordance with this chapter.

(b) Prior to recommending performance measures for CII water use, the department shall solicit broad public participation from stakeholders and other interested persons relating to all of the following:

(1) Recommendations for a CII water use classification system for California that address significant uses of water.

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in **Strikeout Insert**
(2) Recommendations for setting minimum size thresholds for converting mixed CII meters to dedicated irrigation meters, and evaluation of, and recommendations for, technologies that could be used in lieu of requiring dedicated irrigation meters.

(3) Recommendations for CII water use best management practices, which may include, but are not limited to, water audits and water management plans for those CII customers that exceed a recommended size, volume of water use, or other threshold.

(c) Recommendations of appropriate performance measures for CII water use shall consider be consistent with the October 21, 2013, report to the Legislature by the Commercial, Industrial, and Institutional Task Force entitled “Water Use Best Management Practices,” including the technical and financial feasibility recommendations provided in that report, and shall support the economic productivity of California’s commercial, industrial, and institutional sectors.

(d) (1) The board, in coordination with the department, shall adopt performance measures for CII water use on or before June 30, 2022.

(2) Each urban retail water supplier shall implement the performance measures adopted by the board pursuant to paragraph (1).

10609.12. The standards for water loss for urban retail water suppliers shall be the standards adopted by the board pursuant to subdivision (i) of Section 10608.34.

10609.14. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and, no later than October 1, 2021, recommend for adoption by the board in accordance with this chapter appropriate variances for unique uses that can have a material effect on an urban retail water supplier’s urban water use objective.

(b) Appropriate variances may include, but are not limited to, allowances for the following:

(1) Significant use of evaporative coolers.

(2) Significant populations of horses and other livestock.

(3) Significant fluctuations in seasonal populations.

(4) Significant landscaped areas irrigated with recycled water having high levels of total dissolved solids.

(5) Significant use of water for soil compaction and dust control.

(6) Significant use of water to supplement ponds and lakes to sustain wildlife.

(7) Significant use of water to irrigate vegetation for fire protection.

(8) Significant use of water for commercial or noncommercial agricultural use.

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(c) The department, in recommending variances for adoption by the board, shall also recommend a threshold of significance for each recommended variance.

(d) Before including any specific variance in calculating an urban retail water agency’s water use objective, the urban retail water agency shall request and receive approval by the board for the inclusion of that variance.

(e) The board shall post on its Internet Web site all of the following:

1. A list of urban retail water suppliers with approved variances.
2. The specific variance or variances approved for each urban retail water supplier.
3. The data supporting approval of each variance.

10609.15. To help streamline reporting, the board and department shall do all the following:

(A) Identify urban water reporting requirements shared by both agencies, and post on each agency’s internet website how the data is used for planning, regulatory, or other purposes.

(B) Analyze opportunities for more efficient reporting of urban water reporting requirements within each agency and how each agency can integrate various datasets into a publicly accessible location, identify priority actions, and implement priority actions identified in the analysis.

(C) Make appropriate data pertaining to the urban water reporting requirements that are collected by either or both agencies available to the public using the principles and requirements established by the Open and Transparent Water Data Act (Part 4.9 (commending with Section 12400).

10609.16. The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, guidelines and methodologies for the board to adopt that identify how an urban retail water supplier calculates its urban water use objective. The guidelines and methodologies shall address, as necessary, all of the following:

(a) Determining the irrigable lands within the urban retail water supplier’s service area.

(b) Updating and revising methodologies described pursuant to subparagraph (A) of paragraph (1) of subdivision (h) of Section 10608.20, as appropriate, including methodologies for calculating the population in an urban retail water supplier’s service area.

(c) Using landscape area data provided by the department or alternative data.

(d) Incorporating precipitation data and climate data into estimates of a urban retail water supplier’s outdoor irrigation budget for its urban water use objective.

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in **Strikeout** **Insert**
AB 1668 (FRIEDMAN) (5/3/18) & SB 606 (HERTZBERG) (AS TO BE AMENDED 5/7/18)‡
AS AMENDS CURRENT LAW & MERGED

(e) Estimating changes in outdoor landscape area and population, and calculating the urban water use objective, for years when updated landscape imagery is not available from the department.

(f) Determining acceptable levels of accuracy for the supporting data, the urban water use objective, and compliance with the urban water use objective.

10609.18. The department and the board shall solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter. The board shall hold at least one public meeting before taking any action on any standard or variance recommended by the department.

SEC. 8.* Section 10609.20 is added to the Water Code, immediately following Section 10609.18, to read:

10609.20. (a) Each urban retail water supplier shall calculate its urban water use objective no later than November 1, 2023, and by November 1 every year thereafter.

(b) The calculation shall be based on the urban retail water supplier’s water use conditions for the previous calendar or fiscal year.

(c) Each urban water supplier’s urban water use objective shall be composed of the sum of the following:

(1) Aggregate estimated efficient indoor residential water use.

(2) Aggregate estimated efficient outdoor residential water use.

(3) Aggregate estimated efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with CII water use.

(4) Aggregate estimated efficient water losses.

(5) Aggregate estimated water use in accordance with variances, as appropriate.

(d) (1) An urban retail water supplier that delivers water from a groundwater basin, reservoir, or other source that is augmented by potable reuse water may adjust its urban water use objective by a bonus incentive calculated pursuant to this subdivision.

(2) The water use objective bonus incentive shall be the volume of its potable reuse delivered to residential water users and to landscape areas with dedicated irrigation meters in connection with CII water use, on an acre-foot basis.

(2) In no case shall the bonus incentive pursuant to paragraph (1) exceed 10 percent of the urban water supplier’s water use objective.

* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(3) The bonus incentive pursuant to paragraph (1) shall be limited in accordance with one of the following:

(A) The bonus incentive shall not exceed 15 percent of the urban water supplier’s water use objective for any potable reuse water produced at an existing facility.

(B) The bonus incentive shall not exceed 10 percent of the urban water supplier’s water use objective for any potable reuse water produced at any facility that is not an existing facility.

(4) For purposes of this subdivision, an existing facility means a facility that meets all of the following:

(A) The facility has a certified environmental impact report, mitigated negative declaration, or negative declaration on or before January 1, 2019.

(B) The facility begins producing and delivering potable reuse water on or before January 1, 2022.

(C) The facility uses microfiltration and reverse osmosis technologies to produce the potable reuse water.

(e) (1) The calculation of the urban water use objective shall be made using landscape area and other data provided by the department and pursuant to the standards, guidelines, and methodologies adopted by the board. The department shall provide data to the urban water supplier at a level of detail sufficient to allow the urban water supplier to verify its accuracy at the parcel level.

(2) Notwithstanding paragraph (1), an urban retail water supplier may use alternative data in calculating the urban water use objective if the supplier demonstrates to the department that the alternative data are equivalent, or superior, in quality and accuracy to the data provided by the department. The department may provide technical assistance to an urban retail water supplier in evaluating whether the alternative data are appropriate for use in calculating the supplier’s urban water use objective.

SEC. 9. Section 10609.22 is added to the Water Code, to read:

10609.22. (a) An urban retail water supplier shall calculate its actual urban water use no later than November 1, 2023, and by November 1 every year thereafter.

(b) The calculation shall be based on the urban retail water supplier’s water use for the previous calendar or fiscal year.

(c) Each urban water supplier’s urban water use shall be composed of the sum of the following:

*SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(1) Aggregate residential water use.

(2) Aggregate outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use.

(3) Aggregate water losses.

SEC. 10.* Section 10609.24 is added to the Water Code, to read:

10609.24. (a) An urban retail water supplier shall submit a report to the department no later than November 1, 2023, and by November 1 every year thereafter. The report shall include all of the following:

(1) The urban water use objective calculated pursuant to Section 10609.20 along with relevant supporting data.

(2) The actual urban water use calculated pursuant to Section 10609.22 along with relevant supporting data.

(3) Documentation of the implementation of the performance measures for CII water use.

(4) A description of the progress made towards meeting the urban water use objective.

(b) The department shall post the reports and information on its Internet Web site.

(c) The board may issue an information order or conservation order to, or impose civil liability on, an entity or individual for failure to submit a report required by this section.

SEC. 11.* Section 10609.26 is added to the Water Code, to read:

10609.26. (a) (1) On and after November 1, 2023, the board may issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective required by this chapter. Informational orders are intended to obtain information on supplier activities, water production, and conservation efforts in order to identify technical assistance needs and assist urban water suppliers in meeting their urban water use objectives.

(2) In determining whether to issue an informational order, the board shall consider the degree to which the urban retail water supplier is not meeting its urban water use objective, information provided in the report required by Section 10609.24, and actions the urban retail water supplier has implemented or will implement in order to help meet the urban water use objective.

(3) The board shall share information received pursuant to this subdivision with the department.

* SB 606

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(4) An urban water supplier may request technical assistance from the department. The technical assistance may, to the extent available, include guidance documents, tools, and data.

(b) On and after November 1, 2024, the board may issue a written notice to an urban retail water supplier that does not meet its urban water use objective required by this chapter. The written notice may warn the urban retail water supplier that it is not meeting its urban water use objective described in Section 10609.20 and is not making adequate progress in meeting the urban water use objective, and may request that the urban retail water supplier address areas of concern in its next annual report required by Section 10609.24. In deciding whether to issue a written notice, the board may consider whether the urban retail water supplier has received an informational order, the degree to which the urban retail water supplier is not meeting its urban water use objective, information provided in the report required by Section 10609.24, and actions the urban retail water supplier has implemented or will implement in order to help meet its urban water use objective.

(c) (1) On and after November 1, 2025, the board may issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. A conservation order may consist of, but is not limited to, referral to the department for technical assistance, requirements for education and outreach, requirements for local enforcement, and other efforts to assist urban retail water suppliers in meeting their urban water use objective.

(2) In issuing a conservation order, the board shall identify specific deficiencies in an urban retail water supplier’s progress towards meeting its urban water use objective, and identify specific actions to address the deficiencies.

(3) The board may request that the department provide an urban retail water supplier with technical assistance to support the urban retail water supplier’s actions to remedy the deficiencies.

(d) A conservation order issued in accordance with this chapter may include requiring actions intended to increase water-use efficiency, but shall not curtail or otherwise limit the exercise of a water right nor shall it require the imposition of civil liability pursuant to Section 377.

SEC. 12. * Section 10609.28 is added to the Water Code, to read:

10609.28. The board may issue a regulation or informational order requiring a wholesale water supplier, an urban retail water supplier, or a distributor of a public water supply, as that term is used in Section 350, to provide a monthly report relating to water production, water use, or water conservation.

* SB 606
† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
SEC. 13. * Section 10609.30 is added to the Water Code, to read:

10609.30. On or before January 10, 2024, the Legislative Analyst shall provide to the appropriate policy committees of both houses of the Legislature and the public a report evaluating the implementation of the water use efficiency standards and water use reporting pursuant to this chapter. The board and the department shall provide the Legislative Analyst with the available data to complete this report.

(a) The report shall describe all of the following:

(1) The rate at which urban retail water users are complying with the standards, and factors that might facilitate or impede their compliance.

(2) The accuracy of the data and estimates being used to calculate urban water use objectives.

(3) Indications of the economic impacts, if any, of the implementation of this chapter on urban water suppliers and urban water users, including CII water users.

(4) The frequency of use of the bonus incentive, the volume of water associated with the bonus incentives, value to urban water suppliers of the bonus incentive, and any implications of the use of the bonus incentives on water use efficiency.

(5) The early indications of how implementing this chapter might impact the efficiency of statewide urban water use.

(6) Recommendations, if any, for improving statewide urban water use efficiency and the standards and practices described in this chapter.

(7) Any other issues the Legislative Analyst deems appropriate.

SEC. 14. * Section 10609.32 is added to the Water Code, to read:

10609.32. It is the intent of the Legislature that the chairperson of the board and the director of the department appear before the appropriate policy committees of both houses of the Legislature on or around January 1, 2026, and report on the implementation of the water use efficiency standards and water use reporting pursuant to this chapter. It is the intent of the Legislature that the topics to be covered include all of the following:

(a) The rate at which urban retail water suppliers are complying with the standards, and factors that might facilitate or impede their compliance.

(b) What enforcement actions have been taken, if any.

(c) The accuracy of the data and estimates being used to calculate urban water use objectives.
AB 1668 (FRIEDMAN)(5/3/18) & SB 606 (HERTZBERG)(AS TO BE AMENDED 5/7/18)‡
AS AMENDS CURRENT LAW & MERGED

(d) Indications of the economic impacts, if any, of the implementation of this chapter on urban water suppliers and urban water users, including CII water users.

(e) The frequency of use of the bonus incentive, the volume of water associated with the bonus incentives, value to urban water suppliers of the bonus incentive, and any implications of the use of the bonus incentives on water use efficiency.

(e) (f) An assessment of how implementing this chapter is affecting the efficiency of statewide urban water use.

SEC. 15. * Section 10609.34 is added to the Water Code, to read:

10609.34. 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.

SEC. 16. * Section 10609.36 is added to the Water Code, to read:

10609.36. (a) Nothing in this chapter shall be construed to determine or alter water rights. Sections 1010 and 1011 apply to water conserved through implementation of this chapter.

(b) Nothing in this chapter shall be construed to authorize the board to update or revise water use efficiency standards authorized by this chapter except as explicitly provided in this chapter. Authorization to update the standards beyond that explicitly provided in this chapter shall require separate legislation.

(c) Nothing in this chapter shall be construed to limit or otherwise affect the use of recycled water as seawater barriers for groundwater salinity management.

SEC. 17. * Section 10609.38 is added to the Water Code, to read:

10609.38. The board may waive the requirements of this chapter for a period of up to five years for any urban retail water supplier whose water deliveries are significantly affected by changes in water use as a result damage from a disaster, such as an earthquake or fire. In establishing the period of the waiver, the board shall take into consider the breadth of the damage and the time necessary for the damaged areas to recover from the disaster.

* SB 606
* SB 606
* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
SEC. 8.† Chapter 10 (commencing with Section 10609.40) is added to Part 2.55 of Division 6 of the Water Code, to read:

**CHAPTER 10. Countywide Drought and Water Shortage Contingency Plans**

10609.40. The Legislature finds and declares both of the following:

(a) Small water suppliers and rural communities are often not covered by established water shortage planning requirements. Currently, most counties do not address water shortages or do so minimally in their general plan or the local hazard mitigation plan.

(b) The state should provide guidance to improve drought planning for small water suppliers and rural communities.

10609.42. (a) No later than January 1, 2020, the department, in consultation with the board and other relevant state and local agencies and stakeholders, shall use available data to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability. The department shall notify counties and groundwater sustainability agencies of those suppliers or communities that may be at risk within its jurisdiction, and may make the information publicly accessible on its Internet Web site.

(b) The department shall, in consultation with the board, by January 1, 2020, propose to the Governor and the Legislature recommendations and guidance relating to the development and implementation of countywide drought and water shortage contingency plans to address the planning needs of small water suppliers and rural communities. The department shall recommend how these plans can be included in county local hazard mitigation plans or otherwise integrated with complementary existing planning processes. The guidance from the department shall outline goals of the countywide drought and water shortage contingency plans and recommend components including, but not limited to, all of the following:

(1) Assessment of drought vulnerability.

(2) Actions to reduce drought vulnerability.

(3) Response, financing, and local communication and outreach planning efforts that may be implemented in times of drought.

(4) Data needs and reporting.

(5) Roles and responsibilities of interested parties and coordination with other relevant water management planning efforts.

(c) In formulating the proposal, the department shall utilize a public process involving state agencies, cities, counties, small communities, small water suppliers, and other stakeholders.

† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in **Strikeout** **Insert**
SEC. 18. * Section 10610.2 of the Water Code is amended to read:

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. *climatetext* \textit{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 now and into the foreseeable future, and every urban water supplier should collaborate closely with 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.

* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in \textit{Strikeout Insert}
SEC. 19. * 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 and strengthen local drought planning.

SEC. 20. * Section 10612 of the Water Code is amended and renumbered to read:

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. 21. * Section 10612 is added to the Water Code, to read:

10612. “Drought risk assessment” means a method that examines water shortage risks based on the driest five-year historic sequence for the agency’s water supply, as described in subdivision (b) of Section 10635.

SEC. 22. * 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. 23. * Section 10618 is added to the Water Code, to read:

10618. “Water supply and demand assessment” means a method that looks at current year and one or more dry year supplies and demands for determining water shortage risks, as described in Section 10632.1.
SEC. 24.* 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 efficient water use. conservation, efficient water 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 an area-wide, regional, watershed, or basin-wide urban water management plan, an agricultural management plan, or groundwater sustainability plan development.

(2) (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. 25.* 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

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* SB 606
* SB 606
† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
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) (1) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.

(2) By January 1, 2024, each urban retail water supplier shall adopt and submit to the department a supplement to the adopted 2020 plan that includes information required pursuant to subparagraph (B) of paragraph (1) of subdivision (e) of Section 10631. This supplement is not an update or an amendment to the plan, and, therefore an urban water supplier is not required to comply with the public notice and hearing and adoption requirements in Section 10642 before submitting the information to the department.

SEC. 26. * 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, while accounting for impacts from climate change.

SEC. 27. * Section 10630.5 is added to the Water Code, to read:

10630.5. Each plan shall include a simple lay description of how much water the agency has on a reliable basis, how much it needs for the foreseeable future, what the agency’s strategy is for meeting its water needs, the challenges facing the agency, and any other information necessary to provide a general understanding of the agency’s plan.

SEC. 28. * 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:

* * *

* SB 606
* SB 606
* SB 606
† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(a) Describe the service area of the supplier, including current and projected population, climate, 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 shall include the current and projected land uses within the existing or anticipated service area affecting the supplier’s water management planning. Urban water suppliers shall coordinate with local or regional land use authorities to determine the most appropriate land use information, including, where appropriate, land use information 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, (a), providing supporting and related information, including all of the following information shall be included in the plan following:

1. 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. For each source of water supply, consider any information pertinent to the reliability analysis conducted pursuant to Section 10635, including changes in supply due to climate change.

2. When multiple sources of water supply are identified, a description of the management of each supply in correlation with the other identified supplies.

3. For any planned sources of water supply, a description of 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:

   (A) A copy of the current version of any groundwater sustainability plan or alternative management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.74 (commencing with Section 10720), any groundwater management plan adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management for basins underlying the urban water supplier’s service area.

   (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 or has projected that

† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
the basin will become overdrafted if present management conditions continue, as a high- or medium-priority basin 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 or groundwater management agencies listed in subdivision (c) of Section 10723 to maintain or achieve sustainable groundwater conditions in accordance with a groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720).

(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.

(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.

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

(e) (d) (1) Quantify. For an urban retail water supplier, 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, based upon information developed pursuant to subdivision (a), 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.

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(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 distribution system water loss shall be quantified for each of the five years preceding the plan 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) In the plan due July 1, 2021, and in each update thereafter, data shall be included to show whether the urban retail 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 use projections may 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.

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

† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(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.

(B) For the supplement required of urban retail water suppliers by paragraph (2) of subdivision (f) of Section 10621, a narrative that describes the water demand management measures that the supplier plans to implement to achieve its urban water use objective by January 1, 2027, pursuant to Chapter 9 (commencing with Section 10609) of Part 2.55.

(B) (C) 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) (C) 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, single-dry, normal and multiple dry water single-dry water years and for a period of drought lasting five 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.

† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
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.

(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).

SEC. 29. * 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, 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.

* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(c) The Legislature finds and declares that energy use is only one factor in water supply planning and shall not be considered independently of other factors.

SEC. 30. * 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. 31 † 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.

* SB 606
† SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(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. 32. 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 analysis of water supply reliability conducted pursuant to Section 10635.

2. The procedures used in conducting an annual water supply and demand assessment 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 dry year, 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 dry year. The annual supply and demand assessment may consider more than one dry year solely at the discretion of the urban water supplier.

      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 supply and demand assessment.

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

*SB 606
† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(3) (A) 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. Urban water suppliers shall define these shortage levels based on the suppliers’ water supply conditions, including percentage reductions in water supply, changes in groundwater levels, changes in surface elevation or level of subsidence, or other changes in hydrological or other local conditions indicative of the water supply available for use. 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.

(B) An urban water supplier with an existing water shortage contingency plan that uses different water shortage levels may comply with the requirement in subparagraph (A) by developing and including a cross-reference relating its existing categories to the six standard water shortage levels.

(4) Shortage response actions that align with the defined shortage levels and 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 and appropriate to the local conditions.

(E) For each action, an estimate of the extent to which the gap between supplies and demand will be reduced by implementation of the action.

(5) 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 supply and demand assessment described pursuant to Section 10632.1.

(B) Any shortage response actions triggered or anticipated to be triggered by the annual water supply and demand assessment described pursuant to Section 10632.1.

(C) Any other relevant communications.

(6) For an urban retail water supplier, customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions as determined pursuant to Section 10632.2.

(7) (A) A description of the legal authorities that empower the urban water supplier to implement and enforce its shortage response actions specified in paragraph (4) that may include, but are not limited to, statutory authorities, ordinances, resolutions, and contract provisions.

*† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert*
AB 1668 (FRIEDMAN) (5/3/18) & SB 606 (HERTZBERG) (AS TO BE AMENDED 5/7/18)‡
AS AMENDS CURRENT LAW & MERGED

(B) A statement that an urban water supplier shall declare a water shortage emergency in accordance with Chapter 3 (commencing with Section 350) of Division 1.

(C) A statement that 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.

(8) 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 (4).

(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

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

(9) For an urban retail water supplier, 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.

(10) 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) For purposes of developing the water shortage contingency plan pursuant to subdivision (a), an 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.33. ‡ Section 10632.1 is added to the Water Code, to read:

10632.1. An urban water supplier shall conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and, on or before June 1 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. An

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
urban water supplier that relies on imported water from the State Water Project or the Bureau of
Reclamation shall submit its annual water supply and demand assessment within 14 days of
receiving its final allocations, or by June 1 of each year, whichever is later.

SEC. 34. Section 10632.2 is added to the Water Code, to read:

10632.2. An urban water supplier shall follow, where feasible and appropriate, the
prescribed procedures and implement determined shortage response actions in its water
shortage contingency plan, as identified in subdivision (a) of Section 10632, or reasonable
alternative actions, provided that descriptions of the alternative actions are submitted with the
annual water shortage assessment report pursuant to Section 10632.1. Nothing in this section
prohibits an urban water supplier from taking actions not specified in its water shortage
contingency plan, if needed, without having to formally amend its urban water management plan
or water shortage contingency plan.

SEC. 35. Section 10632.3 is added to the Water Code, to read:

10632.3. It is the intent of the Legislature that, upon proclamation by the Governor 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, the
board defer to implementation of locally adopted water shortage contingency plans to the extent
practicable.

SEC. 36. 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 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 include each of the following:

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

(2) A determination of the reliability of each source of supply under a variety of water shortage conditions. This may include a determination that a particular source of water supply is fully reliable under most, if not all, conditions.

(3) A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period.

(4) 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.

(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.

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

(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. 37. 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.

(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 Section 10621, paragraph (10) 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.

* SB 606
† Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
SEC. 38. Section 10641 of the Water Code is amended to read:

10641. An urban water supplier required to prepare a 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. 39. 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 the both the plan and the water shortage contingency plan. Prior to adopting a plan, either, the urban water supplier shall make both the plan and the water shortage contingency plan available for public inspection and shall hold a public hearing or hearings thereon. Prior to the hearing, any of these hearings, notice of the time and place of the 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 a 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 plan hearing or hearings, the plan or water shortage contingency plan shall be adopted as prepared or as modified after the hearing, hearing or hearings.

SEC. 40. 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, seven and one, two, a report summarizing the status of the plans and water shortage contingency plans adopted pursuant to this part. The report prepared by the department shall identify the exemplary elements of the individual plans and water shortage contingency plans. The department shall provide a copy of the report to each urban water supplier that has submitted its plan and water shortage contingency plan to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans and water shortage contingency plans submitted pursuant to this part.

(B) The department shall prepare and submit to the board, on or before September 30 of each year, a report summarizing the submitted water supply and demand assessment 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 supply and demand assessments performed pursuant to Section 10632.1.

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

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
SEC. 41. * 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. 42. * Section 10650 of the Water Code is amended to read:

10650. Any actions or 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 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 plan or water shortage contingency plan, or action taken pursuant to the plan, either does not comply with this part shall be commenced within 90 days after filing of the plan or amendment thereto or water shortage contingency plan or an amendment to either pursuant to Section 10644 or the taking of that action.

SEC. 43. * 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 plan or a water shortage contingency plan, or an action taken pursuant to the plan either 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. 44. * 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 and the Public Utilities Commission, for the preparation of water management plans, water shortage contingency plans, or conservation plans; provided, that if the State Water Resources Control Board or

* SB 606
* SB 606
* SB 606
* SB 606
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
the Public Utilities Commission requires additional information concerning water conservation, drought response measures, or financial conditions 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. 45. * 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 and implementing the reasonable water conservation measures included in the 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. urban water management plan, its drought risk assessment, its water supply and demand assessment, and its water shortage contingency plan and implementing the reasonable water conservation measures included in either of the plans.

SEC. 46. * 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 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 is not eligible for a water grant or loan awarded or administered by the state unless the urban water management plan is submitted pursuant to this article, supplier complies with this part.

SEC. 47. * Section 10657 is added to the Water Code, to read:

10657. The department may adopt regulations regarding the definitions of water, water use, and reporting periods, and may adopt any other regulations deemed necessary or desirable to implement this part. In developing regulations pursuant to this section, the department shall solicit broad public participation from stakeholders and other interested persons.

SEC. 9. † Section 10801 of the Water Code is amended to read:

10801. The Legislature finds and declares all of the following:

* SB 606
* SB 606
* SB 606
† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(a) The waters of the state are a limited and renewable resource.

(b) The California Constitution requires that water in the state be used in a reasonable and beneficial manner.

(c) Urban water districts are required to adopt water management plans.

(d) The conservation efficient use of agricultural water supplies is of great statewide concern.

(e) There is a great amount of reuse of delivered water, both inside and outside the water service areas, areas of agricultural water suppliers.

(f) Significant noncrop beneficial uses are associated with agricultural water use, including streamflows and wildlife habitat. The preservation and enhancement of fish and wildlife resources.

(g) Significant opportunities exist in some areas, through improved irrigation water management, to conserve water or to reduce the quantity of highly saline or toxic drainage water.

(h) Changes in water management practices should be carefully planned and implemented to minimize adverse effects on other beneficial uses currently being served.

(i) Agricultural water suppliers that receive water from the federal Central Valley Project are required by federal law to prepare and implement water conservation plans.

(j) Agricultural water users applying for a permit to appropriate water from the board are required to prepare and implement water conservation plans.

SEC. 10.† Section 10802 of the Water Code is amended to read:

10802. The Legislature finds and declares that all of the following are the policies of the state:

(a) The conservation efficient use of water shall be pursued actively to protect both the people of the state and the state’s water resources.

(b) The conservation efficient use of agricultural water supplies shall be an important criterion in public decisions with regard to water.

(c) Agricultural water suppliers shall be required to prepare water management plans to achieve conservation greater efficiency in the use of water.
SEC. 11.† 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. 12.† Section 10817 of the Water Code is amended to read:

10817. “Water conservation” means the efficient management of water resources for beneficial uses, preventing waste, or accomplishing additional benefits with the same amount of water.

SEC. 13.†. Section 10820 of the Water Code is amended to read:

10820. (a) 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. 2015.

(2) (A) The agricultural water management plan shall be updated on or before April 1, 2021, and thereafter on or before April 1 in the years ending in six and one. The plan shall satisfy the requirements of Section 10826.

(B) An agricultural water supplier shall submit its plan to the department no later than 30 days after the adoption of the plan. The plan shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(b) (1) The department shall review each plan that is due pursuant to paragraph (2) of subdivision (a). The department may coordinate its review with the Department of Food and Agriculture and the board.

(2) The department shall notify an agricultural water supplier that it is not in compliance with this part if the department determines that actions are required to comply with the requirements of this part or if a supplier fails to update a plan as provided in paragraph (2) of subdivision (a). The department shall identify the specific deficiencies and the supplier shall have 120 days to remedy an identified deficiency. The department may provide additional time to remedy a deficiency if it finds that a supplier is making substantial progress toward remedying the deficiency. An agricultural water supplier that fails to submit corrective actions or a completed plan shall not be in compliance with this part.

† AB 1668
† AB 1668
† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(3) If the department has not received a plan or the department has determined that the plan submitted does not comply with the requirements of this part, and a revised plan has not been submitted, the department may undertake the following actions:

(A) Contract with a state academic institution or qualified entity to prepare or complete an agricultural water management plan on behalf of the supplier. The costs and expenses related to preparation or completion of a plan, including the costs of the contract and contract administration, shall be recoverable by the department from the supplier.

(B) If a supplier does not provide data necessary for the preparation or completion of a plan to the department or the contracting entity as determined by the department in accordance with subparagraph (A), the department may assess a fine of one thousand dollars ($1,000) per day, not to exceed twenty-five thousand dollars ($25,000), until data is made available.

(4) (A) A plan prepared or completed pursuant to paragraph (3) shall be deemed the adopted plan for the supplier.

(B) Any action to challenge or invalidate the adequacy of the plan prepared or completed pursuant to paragraph (3) shall be brought against the supplier for whom the plan was prepared.

(c) 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.

(d) 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. 14.† Section 10825 of the Water Code is amended to read:

10825. (a) It is the intent of the Legislature in enacting this part to allow levels of water management planning commensurate with the numbers of customers served and the volume of water supplied.

(b) This part does not require the implementation of water conservation use efficiency programs or practices that are not locally cost effective.

SEC. 15.† 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.
2. Groundwater supply.
3. Other water 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, including estimated flows from deep percolation from irrigation and seepage.
   F. Transfers and exchanges.
   G. Other water uses.

6. Drainage from the water supplier’s service area.
7. Water accounting, including all of the following:

   A. Quantifying the water supplier’s water supplies. Include an annual water budget based on the quantification of all inflow and outflow components for the service area of the agricultural water supplier. Components of inflow shall include surface inflow, groundwater

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
pumping in the service area, and effective precipitation. Components of outflow shall include surface outflow, deep percolation, and evapotranspiration. An agricultural water supplier shall report the annual water budget on a water-year basis. The department shall provide tools and resources to assist agricultural water suppliers in developing and quantifying components necessary to develop a water budget.

(B) Tabulating water uses.

(C) Overall water budget.

(8) Water supply reliability.

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

(d) (e) Describe previous water management activities.

(f) Identify water management objectives based on the water budget to improve water system efficiency or to meet other water management objectives. The agricultural water supplier shall identify, prioritize, and implement actions to reduce water loss, improve water system management, and meet other water management objectives identified in the plan.

(e) (g) Include in the plan the water use efficiency information regarding efficient water management practices required pursuant to Section 10608.48.

(h) Quantify the efficiency of agricultural water use within the service area of the agricultural water supplier using the appropriate method or methods from among the four water use efficiency quantification methods developed by the department in the May 8, 2012, report to the Legislature entitled “A Proposed Methodology for Quantifying the Efficiency of Agricultural Water Use.” The agricultural water supplier shall account for all water uses, including crop water use, agronomic water use, environmental water use, and recoverable surface flows.

SEC. 16.† 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.

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† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(3) A description of the opportunities and constraints for improving drought resilience planning, including all of the following:

(A) The availability of new technology or information.

(B) The ability of the agricultural water supplier to obtain or use additional water supplies during drought conditions.

(C) A description of other actions planned for implementation to improve drought resilience.

(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.

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

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

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

(5) A description of the potential impacts on the revenues, financial condition, and planned expenditures of the agricultural water supplier during drought conditions that reduce water allocations, and proposed measures to overcome those impacts, including reserve-level policies.

SEC. 17.† Section 10843 of the Water Code is amended to read:

10843. (a) An agricultural water supplier shall submit to the entities identified in subdivision (b) a copy of its plan no later than 30 days after the adoption of the plan. Copies of amendments or changes to the plans shall be submitted to the entities identified in subdivision (b) within 30 days after the adoption of the amendments or changes. review of the plan pursuant to subdivision (b) of Section 10820.

(b) An agricultural water supplier shall submit a copy of its plan and amendments or changes to the plan to each of the following entities:

(1) The department.

(2) Any city, county, or city and county within which the agricultural water supplier provides water supplies.

(3) Any groundwater management entity within which jurisdiction the agricultural water supplier extracts or provides water supplies.

† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
(4) Any urban water supplier within which jurisdiction the agricultural water supplier provides water supplies.

(5) Any city or county library within which jurisdiction the agricultural water supplier provides water supplies.

(6) (4) The California State Library.

(7) Any local agency formation commission serving a county within which the agricultural water supplier provides water supplies.

SEC. 18.† 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. 19.† Section 10910 of the Water Code is amended to read:

10910. (a) Any city or county that determines that a project, as defined in Section 10912, is subject to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) under Section 21080 of the Public Resources Code shall comply with this part.

(b) The city or county, at the time that it determines whether an environmental impact report, a negative declaration, or a mitigated negative declaration is required for any project subject to the California Environmental Quality Act pursuant to Section 21080.1 of the Public Resources Code, shall identify any water system whose service area includes the project site and any water system adjacent to the project site that is, or may become as a result of supplying water to the project identified pursuant to this subdivision, a public water system, as defined in

† AB 1668
† AB 1668
‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in *Strikeout* *Insert*
Section 10912, that may supply water for the project. If the city or county is not able to identify any public water system that may supply water for the project, the city or county shall prepare the water assessment required by this part after consulting with any entity serving domestic water supplies whose service area includes the project site, the local agency formation commission, and any public water system adjacent to the project site.

(c) (1) The city or county, at the time it makes the determination required under Section 21080.1 of the Public Resources Code, shall request each public water system identified pursuant to subdivision (b) to determine whether the projected water demand associated with a proposed project was included as part of the most recently adopted urban water management plan adopted pursuant to Part 2.6 (commencing with Section 10610).

(2) If the projected water demand associated with the proposed project was accounted for in the most recently adopted urban water management plan, the public water system may incorporate the requested information from the urban water management plan in preparing the elements of the assessment required to comply with subdivisions (d), (e), (f), and (g).

(3) If the projected water demand associated with the proposed project was not accounted for in the most recently adopted urban water management plan, or the public water system has no urban water management plan, the water supply assessment for the project shall include a discussion with regard to whether the public water system’s total projected water supplies available during normal, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed project, in addition to the public water system’s existing and planned future uses, including agricultural and manufacturing uses.

(4) If the city or county is required to comply with this part pursuant to subdivision (b), the water supply assessment for the project shall include a discussion with regard to whether the total projected water supplies, determined to be available by the city or county for the project during normal, single dry, and multiple dry water years during a 20-year projection, will meet the projected water demand associated with the proposed project, in addition to existing and planned future uses, including agricultural and manufacturing uses.

(d) (1) The assessment required by this section shall include an identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project, and a description of the quantities of water received in prior years by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), under the existing water supply entitlements, water rights, or water service contracts.

(2) An identification of existing water supply entitlements, water rights, or water service contracts held by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), shall be demonstrated by providing information related to all of the following:

(A) Written contracts or other proof of entitlement to an identified water supply.
(B) Copies of a capital outlay program for financing the delivery of a water supply that has been adopted by the public water system.

(C) Federal, state, and local permits for construction of necessary infrastructure associated with delivering the water supply.

(D) Any necessary regulatory approvals that are required in order to be able to convey or deliver the water supply.

(e) If no water has been received in prior years by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), under the existing water supply entitlements, water rights, or water service contracts, the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), shall also include in its water supply assessment pursuant to subdivision (c), an identification of the other public water systems or water service contractholders that receive a water supply or have existing water supply entitlements, water rights, or water service contracts, to the same source of water as the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has identified as a source of water supply within its water supply assessments.

(f) If a water supply for a proposed project includes groundwater, the following additional information shall be included in the water supply assessment:

   (1) A review of any information contained in the urban water management plan relevant to the identified water supply for the proposed project.

   (2) (A) A description of any groundwater basin or basins from which the proposed project will be supplied.

   (B) 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 public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has the legal right to pump under the order or decree.

   (C) For a basin that has not been adjudicated that is a basin designated as high- or medium-priority pursuant to Section 10722.4, information regarding the following:

      (i) Whether the department has identified the basin as being subject to critical conditions of overdraft pursuant to Section 12924.

      (ii) If a groundwater sustainability agency has adopted a groundwater sustainability plan or has an approved alternative, a copy of that alternative or plan.

   (D) For a basin that has not been adjudicated that is a basin designated as low- or very low priority pursuant to Section 10722.4, 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

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
management conditions continue, in the most current bulletin of the department that characterizes the condition of the groundwater basin, and a detailed description by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), of the efforts being undertaken in the basin or basins to eliminate the long-term overdraft condition.

(3) A detailed description and analysis of the amount and location of groundwater pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), for the past five years from any groundwater basin from which the proposed project will be supplied. 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 public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), from any basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(5) An analysis of the sufficiency of the groundwater from the basin or basins from which the proposed project will be supplied to meet the projected water demand associated with the proposed project. A water supply assessment shall not be required to include the information required by this paragraph if the public water system determines, as part of the review required by paragraph (1), that the sufficiency of groundwater necessary to meet the initial and projected water demand associated with the project was addressed in the description and analysis required by subparagraph (D) of paragraph (4) of subdivision (b) of Section 10631.

(g) (1) Subject to paragraph (2), the governing body of each public water system shall submit the assessment to the city or county not later than 90 days from the date on which the request was received. The governing body of each public water system, or the city or county if either is required to comply with this act pursuant to subdivision (b), shall approve the assessment prepared pursuant to this section at a regular or special meeting.

(2) Prior to the expiration of the 90-day period, if the public water system intends to request an extension of time to prepare and adopt the assessment, the public water system shall meet with the city or county to request an extension of time, which shall not exceed 30 days, to prepare and adopt the assessment.

(3) If the public water system fails to request an extension of time, or fails to submit the assessment notwithstanding the extension of time granted pursuant to paragraph (2), the city or county may seek a writ of mandamus to compel the governing body of the public water system to comply with the requirements of this part relating to the submission of the water supply assessment.

(h) Notwithstanding any other provision of this part, if a project has been the subject of a water supply assessment that complies with the requirements of this part, no additional water
supply assessment shall be required for subsequent projects that were part of a larger project for which a water supply assessment was completed and that has complied with the requirements of this part and for which the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has concluded that its water supplies are sufficient to meet the projected water demand associated with the proposed project, in addition to the existing and planned future uses, including, but not limited to, agricultural and industrial uses, unless one or more of the following changes occurs:

1. Changes in the project that result in a substantial increase in water demand for the project.

2. Changes in the circumstances or conditions substantially affecting the ability of the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), to provide a sufficient supply of water for the project.

3. Significant new information becomes available that was not known and could not have been known at the time when the assessment was prepared.

   (i) For the purposes of this section, hauled water is not considered as a source of water.

‡ Amends per AB 1668 (5/3/18) & SB 606 RN 18 12438 shown in Strikeout Insert
AB 1668 and SB 606. Water management planning

Summary of Legislation as of May 10, 2018

Background

- AB 1668 and SB 606 are companion bills that would require the SWRCB, in coordination with DWR, to adopt long-term standards for the efficient use of water and would establish specified standards for per capita daily indoor residential use.
- The bills would require each urban retail water supplier to calculate and report an urban water use objective no later than November 1, 2023, and by November 1 every year thereafter, and compare its actual urban water use to the objective by those same dates. The bill would authorize the board to issue information orders, written notices, and conservation orders to an urban retail water supplier that does not meet its urban water use objective, as specified.
- The bills would also revise urban water management plan requirements, in particular requiring a drought risk assessment for a five-year drought and increasing water shortage contingency plan requirements. The bills would require each urban water supplier to conduct an annual water supply and demand assessment and report annually by June 1st to DWR on anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier’s water shortage contingency plan.

Urban Water Use Objective

Each urban water supplier will calculate its urban water use objective (e.g. water use target) annually for the prior calendar or fiscal year, with the first reporting due November 1, 2023, and compare the target to its actual water use. Target will be calculated as:

- Efficient indoor residential water use, plus
- Efficient outdoor residential water use, plus
- Efficient outdoor water use through dedicated irrigation meters at CII customers, plus
- Efficient water loss, plus
- Variances as appropriate, plus
- Potable reuse credit as applicable

Actual water use will be calculated as:

- Aggregate residential water use, plus
- Aggregate outdoor water use through dedicated irrigation meters at CII customers, plus
- Aggregate water loss

DWR will provide each urban retail water supplier with data regarding irrigable lands, at level of detail sufficient to verify accuracy at the parcel level.

A bonus incentive for potable reuse of up to 15% for potable reuse for existing facilities (those producing and delivering water by January 1, 2022) is provided. For potable reuse facilities online after January 1, 2022, the bonus incentive is limited to 10%.
Enforcement

Enforcement actions are phased over the early years of implementation.

- 2023: SWRCB may issue information order to an urban water supplier that does not meet its urban water use objective
- 2024: SWRCB may issue written notice to urban water supplier that does not meet its urban water use objective
- 2025: SWRCB may issue conservation order to urban water supplier that does not meet its urban water use objective. Issuance of a conservation order does not require the imposition of a civil liability.

Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Requirement</th>
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</table>
| 1/1/2020   | 1. DWR to recommend to legislature standards for indoor residential water use. Defaults are:  
|            |   - 55 gpcd until 2025  
|            |   - 52.5 gpcd 2025 until 2030  
|            |   - 50 gpcd after 2030  
|            | 2. DWR to provide each urban retail water supplier with data regarding irrigable lands, at level of detail sufficient to verify accuracy at the parcel level |
| 10/1/2021  | 1. DWR to recommend standards for outdoor residential use for adoption by SWRCB  
|            |   - Incorporate MWELO principles  
|            |   - Applies to irrigable lands  
|            |   - Include provisions for swimming pools, spas, etc.  
|            | 2. DWR to recommend performance measures for CII water use, including:  
|            |   - CII classification system  
|            |   - Minimum size thresholds for converting mixed CII meters to dedicated irrigation meters  
|            |   - Recommendations for CII BMPs  
|            | 3. DWR to recommend variance provisions for:  
|            |   - Evaporative coolers  
|            |   - Horses and livestock  
|            |   - Seasonal populations  
|            |   - Soil compaction/dust control  
|            |   - Water to sustain wildlife  
|            |   - Water for fire protection  
|            | 4. DWR to recommend standards for outdoor irrigation of landscape areas with dedicated irrigation meters  
|            |   - Incorporate MWELO principles  
|            | 5. DWR to recommend standards for outdoor irrigation of landscape areas with dedicated irrigation meters  
|            |   - Incorporate MWELO principles  
|            | 6. DWR to recommend performance measures for CII water use, including:  
|            |   - CII classification system  
|            |   - Minimum size thresholds for converting mixed CII meters to dedicated irrigation meters  
|            |   - Recommendations for CII BMPs  
|            | 7. DWR to recommend performance measures for CII water use, including:  
|            |   - CII classification system  
|            |   - Minimum size thresholds for converting mixed CII meters to dedicated irrigation meters  
|            |   - Recommendations for CII BMPs |
irrigation meters
- Recommendations for CII BMPs

7. DWR to recommend standards for:
- Determining irrigable lands
- Methodologies for calculating population
- Utilizing precipitation and climate data to determine irrigation budgets
- Estimating changes in landscape area and population when updated data is not available from DWR

<table>
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<tr>
<th>Date</th>
<th>Requirement</th>
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<tbody>
<tr>
<td>6/30/2022</td>
<td>1. SWRCB to adopt long-term standards for efficient water use:</td>
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<tr>
<td></td>
<td>- Outdoor residential</td>
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<td>- Outdoor irrigation of landscape with dedicated irrigation meters at CII</td>
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<td></td>
<td>customers</td>
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<td>- Water loss (consistent with SB 555)</td>
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<tr>
<td>11/1/2023</td>
<td>2. SWRCB to adopt performance measures for CII water use</td>
</tr>
<tr>
<td></td>
<td>1. Urban Water Supplier shall calculate its urban water use objective and</td>
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<td>its actual water use for previous calendar or fiscal year</td>
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<td></td>
<td>- Efficient indoor residential water use, plus</td>
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<td></td>
<td>- Efficient outdoor residential water use, plus</td>
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<tr>
<td></td>
<td>- Efficient outdoor water use through dedicated irrigation meters at CII</td>
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<td>customers, plus</td>
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<td>- Efficient water loss, plus</td>
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<td>- Variances as appropriate</td>
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**Water Shortage Contingency Planning Requirements**

- New Water Shortage Contingency Plan Requirements
  - ANNUAL water supply and demand assessment and report by June 1\(^{st}\) to DWR on anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier’s water shortage contingency plan.
  - Standardized shortage levels, range from 10% to >50%
  - Shortage response actions
  - Customer communication plan
  - Enforcement plan
  - Financial plan
- Urban Water Management Plans to include risk assessment for a five-year drought.