Summary
Proposed Water Conservation Legislation
Assemblymembers Laird and Feuer

California has tremendous opportunity to transform water use practices and reclaim a leadership role in water conservation. Growing population, local and regional water shortages, climate change, and the need to protect California's fish and wildlife make it imperative that the State manage its water resources as efficiently as possible. In addition to helping existing water supplies go further, investments in water conservation also help to:

- Reduce dependence on water diversions from severely stressed ecosystems;
- Reduce dependence on imported water supplies that are at vulnerable to seismic events, flooding and climate change;
- Reduce energy use associated with water delivery, treatment and use
- Reduce greenhouse gas emissions, helping to reach California's climate change and greenhouse gas emissions reduction goals;
- Increase local water self-reliance; and
- Improve water quality by reducing polluted urban and agricultural runoff.

California has already achieved a great deal in the area of water conservation: over the past decade local agencies from across the state have invested in programs to help reduce water use by hundreds of thousands of acre-feet per year. However, much remains to be done.

Improvements in technology and management practices offer the potential for increasing water conservation in California over time, better enabling California to meet its water supply needs for urban, agricultural, and environmental water uses.

The Department of Water Resource's California Water Plan (Bulletin 160-05) projects that, in addition to current conservation efforts, expanded urban water conservation has the potential to reduce water demand by between 2 and 3 million acre feet per year by the year 2030 through feasible and cost-effective measures. Bulletin 160-05 also projects that agricultural water conservation has the potential to provide up to 1 million acre feet per year by 2030 in additional water savings.

This legislation seeks to ensure that California manages its water resources as efficiently as possible, thereby stretching state and local water and energy supplies, reducing energy use and greenhouse gas emissions, reducing costs, and protecting the Bay/Delta and other aquatic ecosystems.

This legislation will:

- Expand upon existing plans and processes to establish and track water conservation targets, including Bulletin 160, Urban Water Management Plans, AB 1420, and the California Urban Water Conservation Council. This bill would build upon the recently enacted AB 1420 by establishing a statewide target for water conservation, and encouraging the development of new technologies and investments necessary to meet that target.

- Require the Department of Water Resources, as part of the Bulletin 160 update, to set a statewide target for water conservation. The target would provide for the maximum feasible and cost effective increase in water conservation, and would be updated every five years. The bill would set the initial target at 3 million acre feet per year by 2030 for combined agricultural and urban water conservation.

- Require the department to publish a list of technically feasible urban and agricultural water conservation measures. Require water suppliers to adopt a numeric water conservation target for 2030 based on either the implementation of those water conservation measures identified by the department which are both technically feasible and cost–effective for the local area, OR alternative measures that achieve equal or greater water savings.

- Require water suppliers to report to the department, confirmed by independent evaluation, on the basis of their adopted water conservation target and their progress in reaching the target. The department will develop standardized evaluation methodologies and reporting formats. Based on the water supplier report and the independent evaluation, the department may require additional conservation measures if there is insufficient progress in meeting the target, or if the conservation target does not meet specified methodology and guidelines.

- Because of the broad public benefits associated with achieving the state's greatest conservation potential, require the department to implement a plan of action, including funding, sufficient to fill the gap if the locally cost effective conservation targets do not meet the statewide target.

Future amendments are expected to include:

  - Measures to increase implementation of the bill. Consistent with AB 1420, eligibility for receipt of state grants should be conditioned on compliance with the bill's requirements. In addition, compliance may be tied to the amendment or issuance of water right permits, or issuance of fines.

  - Identification of funding sources sufficient to achieve the state targets.

  - Establish the role of the State Water Resources Control Board in carrying out the provisions of this Act.

Part 2.65 is added to Division 6 of the Water Code to read:

PART 2.65. WATER CONSERVATION

CHAPTER 1. GENERAL DECLARATIONS AND POLICY

10608. The Legislature finds and declares the following:

(a) Water is a public trust resource in California that must be protected against waste and unreasonable use.

(b) Growing population, climate change, and the need to protect California's fish and wildlife make it essential that the State manage its water resources as efficiently as possible.

(c) Reduced water use through conservation provides significant energy and environmental benefits, can help protect water quality and reduces greenhouse gas emissions.

(d) Improvements in technology and management practices offer the potential for increasing water conservation in California over time providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.

(e) The California Water Plan (Bulletin 160-05?) projects that urban water conservation can reduce water demand by between 2 and 3 million acre feet per year by the year 2030 through feasible and cost-effective measures. The Water Plan also projects that agricultural water conservation has the potential to provide up to 1 million acre feet per year by 2030 in additional water savings.

10608.1. It is the policy of the State to require all water suppliers to identify, adopt and implement the maximum feasible and cost effective water conservation measures to avoid waste and unreasonable use of this essential resource.

CHAPTER 2. DEFINITIONS

10608.2. The following definitions apply to this part:

(a) "Locally cost effective" means that the present value of the local benefits of implementing a water conservation measure are greater than or equal to the present value of the local costs of implementing that measure.

(b) "Water conservation" means those measures, programs and incentives that result in reduced demand, prevent the waste of water, and promote the efficient use of available supplies.

(c) "Water supplier" includes both of the following:

(1) Urban water suppliers as defined in Section 10617, and

(2) Agricultural water suppliers as defined in Section 531(b).

CHAPTER 3. WATER CONSERVATION TARGETS

10608.3. The department shall establish a numeric water conservation target for California that provides for the maximum feasible and cost effective increase in water

conservation. The target for the year 2030 shall be not less than a 3 million acre feet reduction from current projected demand in the absence of additional urban and agricultural water conservation measures. On or before December 31, 2012 and not less than every five years thereafter, the department shall review and may increase the water conservation target for 2030, based on consideration of all relevant information including but not limited to estimates of maximum feasible and locally cost effective water conservation potential determined pursuant to 10608.5 and 10608.6.

10608.4. On or before December 31, 2012, the department shall establish interim urban and agricultural water conservation targets for the years 2015, 2020 and 2025, and every five years thereafter, based on the information identified in Section 10608.3, for each hydrologic region of the state, that reflect the unique conditions of each region and which include consideration of relative per capita water consumption, agricultural economics, and conservation and water use efficiency measures adopted prior to establishment of state and regional water conservation targets. These regional targets shall be designed to cumulatively achieve the statewide water conservation target established and updated pursuant to Section 10608.3.

10608.5. (a) On or before December 31, 2010 and every 5 years thereafter, the department shall develop and publish a list of technically feasible urban water conservation measures available to meet the urban targets identified in 10608.3 and 10608.4. The developing the list of water conservation measures the department shall consider all relevant information including but not limited to information provided by the independent technical panel established pursuant to Section 10631.7.

(b) On or before December 31, 2012, and every five years thereafter, every urban water supplier shall either adopt those water conservation measures identified in (a) which are locally cost-effective, or implement alternative measures that achieve equal or greater water savings. Water suppliers shall adopt a numeric water conservation target, based on the proposed conservation measures, for 2012 and every five years thereafter. A water supplier shall submit documentation indicating that a water conservation measure is not locally cost effective.

(c) On or before December 31, 2014, and every two years thereafter, urban water suppliers shall report to the department, confirmed by independent evaluation, on the basis for their adopted water conservation target and their progress in reaching the target.

(d) Based on the urban water supplier report and independent evaluation, the department may require additional conservation measures if the department determines the proposed target is not consistent with (a) or if there is insufficient progress in meeting the target.

10608.6 (a) On or before December 31, 2012, and every five years thereafter, the department shall develop and publish a list of efficient agricultural water management practices available to meet the agricultural targets identified in 10608.3 and 10608.4.

(b) On or before December 31, 2015, and every five years thereafter, every agricultural water suppliers shall either adopt those conservation practices identified in (a) that are both technically feasible and cost–effective for the local area, or implement alternative measures that achieve equal or greater water savings. Water suppliers shall

adopt a numeric water conservation target, based on the proposed conservation practices, for 2015 and every five years thereafter. A water supplier shall submit documentation indicating that a water conservation measure is not locally feasible or not locally cost effective

(c) On or before December 31, 2015 and every five years thereafter, agricultural water suppliers shall report to the department, confirmed by independent evaluation, on the basis of their adopted water conservation target and their progress in reaching the target.

(d) Based on the agricultural water supplier report and independent evaluation, the department may require additional conservation measures if the department determines the proposed target is not consistent with (a) or if there is insufficient progress in meeting the target.

10608.7. To the extent that the aggregate of the local conservation targets identified in 10608.5 and 10608.6 do not meet the state targets identified in Section 10608.3 and 10608.4, the department shall propose and adopt a plan of action sufficient to fill the gap and meet the state targets. This plan should specify the increased levels of conservation that should be implemented at the state and local level, that would be in addition to the locally cost effective measures proposed in Sections 10608.5 10608.6. This increased level of conservation should be supported by state or federal funding because of the broad public benefits.

10608.8 Water suppliers may comply with sections 10608.5 and 10608.6 individually or regionally and the requirements may be met through the submission of an Urban Water Management Plan or Agricultural Water Management Plan.

10608.9. (a) The department shall develop methodologies and guidelines as necessary to implement this chapter.

(b) All state water conservation targets, methodologies and guidelines, and lists of feasible water conservation measures or practices identified under this part, shall be established only after the department, or at the department's request, the California Water Commission, conducts a series of public hearings and workshops to allow participation of the diverse geographical areas and interests of the state.

10608.10. The Legislature hereby finds that the development, adoption, and implementation of water conservation targets as provided in this part is an issue of statewide significance that is critical to the effective implementation of integrated regional water management in California and funds provided by Section 75026 of the Public Resources Code shall be available, consistent with the provisions and requirements of Division 43 of the Public Resources Code, and upon appropriation by the Legislature, for grants and expenditures to implement this part.