August 20, 2018

MEETING NOTICE

WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE

Members of the Water Conservation and Demand Management Committee:
Director Nai Hsueh
Director Linda J. LeZotte, Vice Chair
Director Richard P. Santos, Chair

Staff Support of the Water Conservation and Demand Management Committee:
Norma J. Camacho, Chief Executive Officer
Nina Hawk, Chief Operating Officer, Water Utility
Rick Callender, Chief of External Affairs
Stanly Yamamoto, District Counsel
Erick Soderlund, Assistant District Counsel
Garth Hall, Deputy Operating Officer, Water Supply Division
Rachael Gibson, Deputy Administrative Officer, Office of Government Relations
Bart Broome, Assistant Officer, Office of Government Relations
Antonio Alfaro, Government Relations Advocate, Office of Government Relations
Jerry De La Piedra, Water Supply Planning and Conservation Manager, Water Supply Planning and Conservation Unit
Vanessa De La Piedra, Groundwater Management Manager, Groundwater Monitoring and Analysis Unit
Tracy Hemmeter, Senior Project Manager
Bassam Kassab, Senior Water Resources Specialist
George Cook, Senior Water Resources Specialist

The regular meeting of the Water Conservation and Demand Management Committee is scheduled to be held on Wednesday, August 29, 2018, at 10:00 a.m. in the Headquarters Building Boardroom, located at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

Enclosed are the meeting agenda and corresponding materials. Please bring this packet with you to the meeting.

Enclosures
Santa Clara Valley Water District - Headquarters Building,
5700 Almaden Expressway, San Jose, CA 95118

From Oakland:
- Take 880 South to 85 South
- Take 85 South to Almaden Expressway exit
- Turn left on Almaden Plaza Way
- Turn right (south) on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From Morgan Hill/Gilroy:
- Take 101 North to 85 North
- Take 85 North to Almaden Expressway exit
- Turn left on Almaden Expressway
- Cross Blossom Hill Road
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From Sunnyvale:
- Take Highway 87 South to 85 North
- Take Highway 85 North to Almaden Expressway exit
- Turn left on Almaden Plaza Way
- Turn right (south) on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From San Francisco:
- Take 280 South to Highway 85 South
- Take Highway 85 South to Almaden Expressway exit
- Turn left on Almaden Plaza Way
- Turn right (south) on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From Downtown San Jose:
- Take Highway 87 - Guadalupe Expressway South
- Exit on Santa Teresa Blvd.
- Turn right on Blossom Hill Road
- Turn left at Almaden Expressway
- At Via Monte (first traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From Walnut Creek, Concord and East Bay areas:
- Take 680 South to 280 North
- Exit Highway 87-Guadalupe Expressway South
- Exit on Santa Teresa Blvd.
- Turn right on Blossom Hill Road
- Turn left at Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance
District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

| WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE | All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors’ meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600. |
| Nai Hsueh - District 5, Linda J. LeZottee - District 4, Committee Vice Chair, Richard Santos - District 3, Committee Chair | Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act. |
CALL TO ORDER:

1. Roll Call.

Time Open for Public Comment on any Item not on the Agenda.

Notice to the public: This item is reserved for persons desiring to address the
Committee on any matter not on this agenda. Members of the public who wish to
address the Committee on any item not listed on the agenda should complete a
Speaker Form and present it to the Committee Clerk. The Committee Chair will
call individuals in turn. Speakers comments should be limited to two minutes or
as set by the Chair. The law does not permit Committee action on, or extended
discussion of, any item not on the agenda except under special circumstances.
If Committee action is requested, the matter may be placed on a future agenda.
All comments that require a response will be referred to staff for a reply in writing.
The Committee may take action on any item of business appearing on the
posted agenda.

APPROVAL OF MINUTES:

3. Approval of Minutes.

3.1. Approval of Minutes.  

Recommendation: Approve the June 25, 2018, Meeting Minutes.  
Manager: Michele King, 408-630-2711  
Attachments: Attachment 1: 062518 WCon Dem Mgmt Comm Draft Mins  
Est. Staff Time: 5 Minutes

ACTION ITEMS:


Recommendation: This is a discussion item and the Committee may provide
comments, however, no action is required.
Manager: Rachael Gibson, 408-630-2884  
Attachments: Attachment 1: ACWA Detailed Summary AB 1668/SB 606  
Attachment 2: ACWA Implementation Deadlines of AB 1668/SB 6
Est. Staff Time: 10 Minutes
4.2. Fixed Charge Analysis Update.  

Recommendation: Receive an update regarding the status of the Fixed Charge Analysis.  

Manager: Darin Taylor, 408-630-3068  

Est. Staff Time: 20 Minutes  

4.3. Review Water Conservation and Demand Management Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee’s Next Meeting Agenda.  

Recommendation: Review the Committee work plan to guide the Committee’s discussions regarding policy alternatives and implications for Board deliberation.  

Manager: Michele King, 408-630-2711  

Attachments: Attachment 1: WCDM 2018 Work Plan  
Attachment 2: WCDM October 2018 Draft Agenda  

Est. Staff Time: 20 Minutes  

5. Clerk Review and Clarification of Committee Requests.  

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.  

6. ADJOURN:  

6.1. Adjourn.
COMMITTEE AGENDA MEMORANDUM

Water Conservation and Demand Management

SUBJECT:
Approval of Minutes.

RECOMMENDATION:
Approve the June 25, 2018, Meeting Minutes.

SUMMARY:
A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Committee's meetings.

ATTACHMENTS:
Attachment 1: 062518 WCaDMC Draft Minutes

UNCLASSIFIED MANAGER:
Michele King, 408-630-2711
A regularly scheduled meeting of the Water Conservation and Demand Management Committee was held on June 25, 2018, in the Headquarters Building Pre-Function Lobby at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

1. CALL TO ORDER/ROLL CALL
   Committee Chair, Director Richard P. Santos called the meeting to order at 10:03 a.m.

   Board Members in attendance were: Director Nai Hsueh (District 5), Director Linda J. LeZotte (District 4), and Director Richard P. Santos (District 3).

   Staff members in attendance were: Glenna Brambill, Bill Cameron, George Cook, Jerry De La Piedra, Vanessa De La Piedra, Anthony Fulcher, Garth Hall, Nina Hawk, Tracy Hemmeter, Michael Martin and Stan Yamamoto

   Guests in attendance were: Michael Bolzowksi (California Water Service) Brian Boyer and Adam Schiro (Cinnabar Hills Golf Club), Timothy Guster (Great Oaks Water Company), Anthony Eulo (City of Morgan Hill), and Doug Muirhead (Resident of Morgan Hill), Phil Bobel (City of Palo Alto), Rita Vrhel and Esther Nigenda (Save Palo Alto’s Groundwater), Jeffrey Provenzano and Kerrie Romanow (City of San José) and Charles Ice (San Mateo)

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON AGENDA
   Mr. Doug Muirhead, a Resident of the City of Morgan Hill requested staff to share any updates on direct potable reuse regarding treatment plants or reservoirs.

3. APPROVAL OF MINUTES
   3.1 APPROVAL OF MINUTES
   It was moved by Director Nai Hsueh, seconded by Director Linda J. LeZotte and unanimously carried, to approve the minutes of the April 30, 2018, Water Conservation and Demand Management Committee meeting as presented.
4. ACTION ITEMS

4.1 WATER SUPPLY RELIABILITY LEVEL OF SERVICE GOAL
Mr. Michael Martin reviewed the materials as outlined in the agenda items.

Director Nai Hsueh suggested when going to the Board elaborate more on Making Conservation A California Way of Life and whether there could be potential impact on reduction of water demand.

Mr. Jerry De La Piedra was available to answer questions.

No action was taken.

4.2 CLIMATE SMART SAN JOSE PLAN
Ms. Kerrie Romanow reviewed the materials as outlined in the agenda items.

Director Linda J. LeZotte, Mr. Garth Hall, Director Nai Hsueh and Director Richard P. Santos spoke on this item regarding stormwater recharge, land use, Water Conservation Demand Model Ordinance, working group, “No Regrets” package and carbon footprint-emissions.

Mr. Jerry De La Piedra and Mr. Jeffrey Provenzano were available to answer questions.

No action was taken.

4.3 REVIEW OF WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE WORK PLAN, THE OUTCOMES OF BOARD ACTION OF COMMITTEE REQUESTS AND THE COMMITTEE’S NEXT MEETING AGENDA
Ms. Glenna Brambill reviewed the materials as outlined in the agenda items.

It was determined that the next meeting would be scheduled for Wednesday, August 29, 2018, 10:00 a.m.

Mr. Doug Muirhead from Morgan Hill, asked if we could add highlights of groundwater basins to the next agenda.

No action taken.

5. INFORMATION ITEMS

5.1 SHALLOW GROUNDWATER
Mr. George Cook reviewed the materials as outlined in the agenda item.

Ms. Esther Nigenda and Ms. Rita Vrhel of Save Palo Alto’s Groundwater spoke regarding conservation, construction and definition of shallow groundwater. Mr. Charles Ice had question on shallow groundwater’s bad connotation and community resource.
Ms. Vanessa De La Piedra and Mr. Garth Hall, Ms. Nina Hawk and Mr. Phil Bobel were available to answer questions.

Directors Santos and Hsueh would like to have further discussion on this subject. Ms. Vanessa De La Piedra assured Committee Members that staff will continue to review this subject matter.

5.2 WATER CONSERVATION PROGRAMS FOR THE LANDSCAPE SECTOR
Mr. Jerry De La Piedra reviewed the materials as outlined in the agenda item and will continue to monitor this subject matter.

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE’S REQUESTS
Ms. Glenna Brambill stated there were no action items for Board consideration.

7. ADJOURNMENT
Chair Santos adjourned at 11:24 a.m. to the next regularly scheduled meeting on Wednesday, August 29, 2018, at 10:00 a.m., in the Santa Clara Valley Water District Headquarters Building Boardroom.

Glenna Brambill
Board Committee Liaison
Office of the Clerk of the Board

Approved:
COMMITTEE AGENDA MEMORANDUM

Water Conservation and Demand Management

SUBJECT:
State's effort to Make Water Conservation a California Way of Life.

RECOMMENDATION:
This is a discussion item and the Committee may provide comments, however, no action is required.

SUMMARY:
On May 31, 2018, Governor Brown signed into law two bills, AB 1668 (Friedman) and SB 606 (Hertzberg), that aim to accomplish his goal of “Making Water Conservation a California Way of Life.” Jointly, the two bills establish authority for the State Water Resources Control Board (SWRCB), in coordination with the Department of Water Resources (DWR), to establish long-term urban water use efficiency standards by June 30, 2022, and make several changes to the Urban Water Management Planning Act to improve planning for future droughts.

The bills also update Agricultural Water Management Plan requirements.

The bills take effect on January 1, 2019.

Water Use Objectives

The Water Use Objectives apply mainly to water retailers, not directly to wholesalers. The Urban Water Management Plans requirements (below) apply to both wholesalers and retailers.

The most significant components of the two bills include the following.

- Establishes an urban water use objective (i.e., a water budget for each water retailer) as the aggregate of all water uses, by November 1, 2023, as follows:
  - Indoor residential water use;
  - Outdoor residential water use;
  - Commercial, Industrial, Institutional (CII) outdoor irrigation water use on a dedicated landscape meter; and
  - Water loss for the water retailer’s distribution system.
- Unique local circumstances (i.e: livestock, metered ag, etc)
- Minus a credit for potable reuse of up to 15 percent for existing projects and 10 percent for projects with a certified CEQA document before January 1, 2019, that begin to produce water before January 1, 2022, and uses microfiltration and reverse osmosis.
• Requires DWR, in coordination with the SWRCB, no later than October 1, 2021, to recommend guidelines and methodologies for calculating the urban water use objective.

• Establishes an indoor water use standard of 55 gallons per capita daily (GPCD) until January 1, 2025. Beginning January 1, 2025 and until January 1, 2030, establishes an indoor water use standard of 52.5 GPCD. Finally, beginning January 1, 2030 and thereafter, establishes an indoor water use standard of 50 GPCD unless the studies and investigations required by DWR and the SWRCB conclude that a higher recommended number should be implemented.

• Require DWR in coordination with the SWRCB to conduct studies and investigations and to recommend, not later than October 1, 2021, standards for outdoor residential use for adoption by the SWRCB.

• Require DWR in coordination with the SWRCB to conduct studies and investigations, and recommend not later than October 1, 2021, performance measures for CII water use for adoption by the SWRCB.

• Starting in 2023, water retailers will be required to calculate and report its water use objective and its actual water use for the previous year, and show progress towards their objective.

• Enforcement - After November 1, 2027, the SWRCB could impose fines for violating the regulations adopted to meet water use objectives. The amount of the fines would be up to $1,000 for each day that the violation occurs or $10,000 a day for violations that occur during a critical water year of a multi-year drought or a governor declared drought emergency.

Urban Water Management Plans

• Requires the inclusion of a description in easily understood language to the public, of the water systems reliability and the providers plans for meeting its water needs.

• Requires a drought risk assessment that considers a five-year drought, instead of the current three-year period.

• Requires 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. An urban water supplier with an existing Water Shortage Contingency Plan that uses different water shortage levels may comply with this requirement by developing and including a cross-reference relating its existing categories to the six standard water shortage levels.

• Requires an annual water supply and demand assessment to be submitted to DWR 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.

- Requires the DWR to prepare and submit to SWRCB, by June 1 of each year, a report summarizing the information submitted in the water supply and demand assessments submitted by water suppliers, for SWRCB to determine if noncompliance enforcement is necessary.

- Requires water suppliers to declare a water shortage emergency condition to prevail within the area served by the distributor whenever it finds and determines that the demands and requirements of water consumers cannot be met without depleting the water supply to the point that there would be insufficient water for human consumption, sanitation, and fire protection.

ATTACHMENTS:
Attachment 1: ACWA Detailed Summary of AB 1668/SB 606
Attachment 2: ACWA Implementation Timeline of AB 1668/SB 606

UNCLASSIFIED MANAGER:
Rachael Gibson, 408-630-2884
SB 606 (Hertzberg) Summary
As Chaptered on 5/31/18

Urban Water Use Objectives and Water Use Reporting Requirements:

SB 606 requires the State Water Resources Control Board (State Water Board) and the Department of Water Resources (DWR) to adopt water efficiency regulations, outlines requirements for urban water suppliers, and specifies penalties for violations. The bill also requires annual calculation of the urban water use objective and annual reporting of the previous year’s water use that is consistent with the urban water use objective. The bill provides a bonus incentive, up to 15 percent, on top of the urban water use objective for the amount of potable reuse water delivered the previous year.

SB 606 also revises specific provisions related to urban drought planning. Specifically, the bill:
- Changes in requirements for urban water management plans;
- Requires the adoption of a water shortage contingency plan (WSCP), which must include certain elements, annual drought risk assessment (drought risk assessment) procedures and standard water shortage levels; and
- Requires urban water suppliers to conduct annual drought risk assessments and to submit an annual report to DWR.

Urban Use Objectives
SB 606 establishes urban water use objectives and reporting requirements for urban water suppliers by requiring an urban water supplier to calculate an aggregate urban water use objective each year for the previous calendar year by November 1, beginning November 1, 2023, and by November 1 every year after that. If an urban water supplier does not meet its water use objective, the bill authorizes the State Water Board to issue specified orders. Each urban water supplier’s urban water use objective will include the sum of aggregate estimated efficient indoor and outdoor residential water use, efficient outdoor irrigation of landscape areas with dedicated irrigation meters (or equivalent technology in connection with commercial, industrial, and institutional (CII) landscape area water use), efficient water losses, and water use in accordance with appropriate variances. The details of each of the standards used to calculate the urban water use objective are included in AB 1668. This bill authorizes urban retail water suppliers to use alternative data in calculating the urban water use objective. Urban water suppliers must demonstrate to DWR that the alternative data is equivalent or superior in quality and accuracy compared to the data provided by DWR. The bill requires an urban water supplier to submit a report to DWR no later than November 1, 2023, and by November 1 every year thereafter, that includes 1) the urban water use objective along with relevant supporting data, 2) the actual
urban water use along with appropriate supporting data, 3) documentation of the implementation of the performance measures for CII water use, and 4) a description of the progress made towards meeting the urban water use objective.

**Bonus Incentive**

SB 606 establishes a bonus incentive for potable reuse water equal to the volume delivered. The incentive will allow urban retail water suppliers that provide water from a groundwater basin, reservoir or another source that is augmented by potable reuse water to adjust its yearly urban water use objective by the bonus incentive. Urban retail water suppliers are eligible for a bonus of up to fifteen percent for any potable reuse water produced at an existing facility. The bonus incentive shall not exceed ten percent for any potable reuse water produced at any facility that does not 1) possess a certified environmental impact report (EIR), mitigated negative declaration (MND), or negative declaration (ND) on or before January 1, 2019, 2) begin producing and delivering potable reuse water on or before January 1, 2022, or 3) use microfiltration and reverse osmosis technologies to produce the potable reuse water.

**Reporting**

SB 606 authorizes the State Water Board to issue a regulation requiring wholesale water suppliers, urban retail water suppliers, or distributors of public water supply to submit information relating to water production, water use, or water conservation. By January 1, 2020, DWR, in coordination with the State Water Board, shall conduct necessary studies and investigations and provide recommendations to the Legislature, on the feasibility of developing and enacting water loss reporting requirements for urban wholesale water suppliers. By January 10, 2024, the Legislative Analyst’s Office (LAO) is required to evaluate and report to the Legislature on the implementation of the urban water conservation standards and water use reporting requirements established by the bill. By January 1, 2026, the chair of State Water Board and director of DWR are required to appear before the appropriate policy committees of both houses and report on the implementation of urban water conservation standards and water use reporting.

**Enforcement**

The bill authorizes the State Water Board, on and after November 1, 2023, to issue informational orders pertaining to water production, water use, and water conservation to an urban water supplier that does not meet its urban water use objective. 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. The bill authorizes the State Water Board, on and after November 1, 2024, to issue a written notice to an urban water supplier that does not meet its urban water use objective. The written notice may warn the urban water supplier that it is not fulfilling its urban water use objective and is not making adequate progress in achieving the urban water use objective, and may request that the urban water supplier address areas of concern in its next annual report. In deciding whether to issue a written notice, the State Water Board may
consider whether the urban 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 annual report, and actions the urban water supplier has implemented or will implement in order to help achieve its urban water use objective. Finally, the bill authorizes the State Water Board, on and after November 1, 2025, to issue a conservation order to an urban water supplier that does not meet its urban water use objective. A conservation order may consist of, but is not limited to, referral to DWR 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. A conservation order may include requiring actions intended to increase water-use efficiency, but shall not curtail or otherwise limit the exercise of a water right and shall not require the imposition of civil liability according to section 377 of the Water Code.

**Miscellaneous**

The bill provides that an action of the State Water Board taken under the “Urban Water Use Objectives and Water Use Reporting” chapter will be exempt from California Environmental Quality Act (CEQA) review provided that the action not involve relaxation of existing water conservation or water use standards.

The bill provides that no provision of the “Urban Water Use Objectives and Water Use Reporting” chapter can be construed to 1) determine or alter water rights; that Sections 1010 and 1011 of the water code apply to water conserved through implementation of this bill, 2) authorize the State Water Board to update or revise water use efficiency standards authorized by the “Urban Water Use Objectives and Water Use Reporting” chapter except as explicitly provided by this bill; authorization to update the standards beyond that expressly provided in this bill will require separate legislation, or 3) limit or otherwise affect the use of recycled water as seawater barriers for groundwater salinity management.

The bill also expands local agency fining authority under Water Code section 377 to include violations of specific regulations adopted by the State Water Board related to the urban water use objective and emergency regulations.

**Urban Water Management Planning Act Revisions:**

SB 606 makes substantive revisions to the Urban Water Management Planning Act and the Water Shortage Contingency Plans (WSCPs) currently required under existing law.

**Overview of Revisions**

New requirements for urban water management plans (UWMPs) include that urban water suppliers provide simple descriptions of the reliability of its water supplies, the agency’s strategy for meeting its water needs, and other information necessary to provide a general understanding of the agency’s plan. UWMPs must contain a drought risk assessment that
examines water shortage risks for a drought that will last five years. The bill requires that
UWMPs be updated and submitted to DWR by July 1, every five years, and incorporate updated
and new information from the five years preceding the UWMP update. An urban water supplier
is required to prepare, adopt, and periodically review WSCPs as part of its UWMP. In the UWMP
due July 1, 2021, and in each update after that, data must be included to show whether the
urban water supplier met the distribution loss standards enacted by the State Water Board.

Urban Water Management Plans
Urban water suppliers now have a duty to ensure that their UWMP include an assessment of the
reliability of its water service to its customers during normal, dry, and multiple dry water years.
The UWMP must also include a drought risk assessment to 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 an average water year, a single dry water year, and a
drought lasting five consecutive water years. By January 1, 2024, each urban retail water
supplier shall adopt and submit to DWR a supplement to the adopted plan to meet a targeted
20 percent reduction in per-capita urban water consumption by the year 2020 (2020 plan). The
supplement must include information that describes the water demand management measures
that the supplier plans to implement to achieve its urban water use objective. The bill specifies
that the supplement is not an update or an amendment to the UWMP, so an urban water
supplier is not required to comply with the public notice, hearing, and adoption requirements
before submitting the information to the DWR.

The bill requires that the UWMP due July 1, 2021, and in each update thereafter, shall include
data to show whether the urban retail water supplier met the distribution loss standards
enacted by the State Water Board. When updating a UWMP to submit to DWR, urban water
suppliers are now required to include, in the description of their UWMPs, social and economic
factors that affect their planning. The description shall also include the current and projected
land uses within the existing or anticipated service area affecting the supplier’s UWMP. Urban
water suppliers are required to coordinate with local or regional land use authorities to
determine the most appropriate land use information and include land use information
obtained from local or regional land use authorities, where appropriate. UWMPs must identify
and quantify the existing and planned sources of water available to the supplier over the same
five-year increments as the drought risk assessments, and provide supporting and related
information that includes:

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 that is
conducted under current law, 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, descriptions of the measures that are being undertaken to acquire and develop those water supplies.

4) The distribution system water loss shall be quantified for each of the five years preceding the UWMP update.

5) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information must also be included in the UWMP:
   a. The current version of any groundwater sustainability plan or adopted alternative and any groundwater management plan adopted by the urban water supplier, including plans adopted or any other specific authorization for groundwater management for basins underlying the urban water supplier’s service area.
   b. For a basin that has not been adjudicated, information as to whether DWR has identified the basin as a high or medium priority basin in the most current official departmental bulletin that characterizes the condition of the groundwater basin. A detailed description of the efforts being undertaken by the urban water supplier to coordinate with groundwater sustainability agencies or groundwater management agencies to maintain or achieve sustainable groundwater conditions in accordance with a groundwater sustainability plan or adopted alternative.
   c. For an urban retail water supplier, quantify, to the extent records are available, past and current water use, over the same five-year increments as the drought risk assessments and projected water use, based upon the information required and developed in the UWMP description.

Current law requires a description of the supplier’s water demand management measures. SB 606 now requires a narrative, in the newly required supplement, that describes the water demand management measures that the supplier plans to implement to achieve its urban water use objective by January 1, 2027. UWMPs must also include information that the urban water supplier can readily obtain relating to the energy used to extract or divert, treat or convey to a treatment plant, distribute, or store water supplies. The bill states that 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.

*Annual Drought Risk Assessment Procedures*
Urban water suppliers must conduct an annual drought risk assessment and include information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with their WSCP. Results from the assessment must be submitted to DWR.

DWR must prepare and submit to the State Water Board, by June 1 of each year, a report summarizing the presented drought risk assessment results and appropriate, reported water shortage conditions developed by DWR. Information must also be included in the report.
regarding various shortage response actions implemented as a result of water budget forecast assessments for the State Water Board to determine if noncompliance enforcement is necessary.

**Water Shortage Contingency Plans**
Every urban water supplier shall prepare and adopt a WSCP as part of its UWMP. WSCPs must include 1) annual drought risk assessment procedures, 2) six standard water shortage levels, 3) shortage response actions, 4) communication protocols and procedures, 5) a description of legal authorities that empower the urban water supplier to implement and enforce its shortage response actions, and 6) a description of the financial consequences of, and response for, drought conditions, among other things. More detail is provided on several of these categories below.

WSCPs must include the following criteria:

1) **Annual Drought Risk Assessment Procedures:** An urban water supplier shall conduct an annual drought risk assessment on or before June 1 of each year and submit the assessment to DWR. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its annual drought risk assessment within 14 days of receiving its final allocations, or by June 1 of each year, whichever is later. The written decision-making process that an urban water supplier will use annually to determine water supply reliability must be included, along with 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 drought risk 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 drought risk assessment.
   
   (v) A description and quantification of each source of water supply.

2) **Six Standard Water Shortage Levels:** Urban water suppliers shall follow, where feasible and appropriate, the procedures in its WSCP and implement determined shortage response actions or reasonable alternative actions. Descriptions of the alternative actions must be submitted with the annual water shortage assessment report. 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.

(i) An urban water supplier with an existing WSCP that uses different water shortage levels may comply with the shortage level requirements by developing and including a cross-reference relating its existing categories to the six standard water shortage levels.

(ii) An urban water supplier regulated by the Public Utilities Commission (PUC) shall include its most recent plan and WSCP as part of the supplier’s general rate case filings.

3) **Shortage Response Actions**: Urban water suppliers must align with the defined shortage levels and include, at a minimum, all of the following and locally appropriate 1) supply augmentation actions, 2) demand reduction actions to adequately respond to shortages, 3) operational changes, and 4) mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions, and appropriate to local conditions. The bill requires that for each action, an estimate of the extent to which the gap between supplies and demand will be reduced by implementation of the action. The bill also requires the governing body of a distributor of a public water supply to declare a water shortage emergency condition whenever it finds 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 no water for human consumption, sanitation, and fire protection.

4) **Communication Protocols and Procedures**: Urban water suppliers must make WSCPs available to inform customers, the public, interested parties, and local, regional, and state governments regarding any current or predicted shortages determined by the annual drought risk assessment. Any shortage response actions triggered, or anticipated to be triggered by the annual drought risk assessment, must also be made available to all parties and stakeholders. The bill also revises the funding restrictions on non-compliant water agencies to match that which applies to the agricultural water management plans outlined in AB 1668. The bill makes an urban water supplier ineligible to receive any water grant or loan unless the urban water supplier complies with the requirements relating to UWMPs.

5) **Descriptions of the Legal Authorities**: Must empower the urban water supplier to implement and enforce its shortage response actions that may include, but are not limited to:

   (i) Statutory authorities, ordinances, resolutions, and contract provisions.

   (ii) A statement that an urban water supplier shall declare a water shortage emergency.
(iii) 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.

6) **A Description of the Financial Consequences**: Must include responses for drought conditions, including, but not limited to, descriptions of all of the following:

   (i) Potential revenue reductions and expense increases associated with activated shortage response actions.

   (ii) Mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions.

   (iii) Cost of compliance.

WSCPs must include 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. Urban water suppliers shall also reevaluate and explore improvement procedures for monitoring and evaluating the functionality of the WSCP to ensure shortage risk tolerance is adequate, and appropriate water shortage mitigation strategies are implemented as needed. For purposes of developing the WSCP, 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.

The bill states the intent of the Legislature that, upon proclamation by the Governor of a state of emergency under the California Emergency Services Act based on drought conditions, the State Water Board defer to the implementation of locally adopted WSCPs to the extent practicable. This bill will not prohibit an urban water supplier from taking actions not specified in its WSCP, if needed, without having to formally amend its UWMP or WSCP. Further, urban water suppliers are required to make the WSCP, no later than 30 days after adoption, available to its customers as well as any city or county in which it provides water supplies, and if an urban water supplier revises its WSCP, a copy of the updated version must be submitted to DWR no later than 30 days after adoption.

**AB 1668 Contingency and Implementation:**

The bill includes language that the enactment and implementation of SB 606 are contingent upon the enactment of AB 1668 (Friedman).
AB 1668 (Friedman) Summary
As Chaptered on 5/31/18

Urban Water Use Objectives and Water Use Reporting Requirements:
AB 1668 establishes urban water use objectives, which encompass standards and reporting requirements for indoor and outdoor residential use, commercial, industrial, and institutional (CII) landscape areas, water losses, and other unique local uses and situations that have a material effect on an urban water supplier’s total water use. The bill requires the State Water Resources Control Board (State Water Board) to coordinate with Department of Water Resources (DWR) to recommend and adopt long-term standards for efficient water use, as well as conduct studies and investigations to report to the Legislature.

How the Urban Water Use Objective is Calculated
AB 1668 details the provisions included in the urban water use objective while SB 606 provides how the urban water use objective is calculated. Each urban water supplier’s urban water use objective will include the sum of aggregate estimated efficient indoor and outdoor residential water use, efficient outdoor irrigation of landscape areas with dedicated irrigation meters (or equivalent technology in connection with CII landscape area water use), efficient water losses, water use in accordance with appropriate variances, and, where allowed, the potable reuse bonus incentive. The estimated efficient water use for each segment uses the standards defined in or directed to be developed by the State Water Board and DWR pursuant to AB 1668.

Indoor Residential Water Use Standards, Studies and Reporting Requirements
Once enacted, the bill sets the initial standard to 55 of gallons per capita daily (gpcd) for indoor residential water use. Beginning January 1, 2025, the standard for indoor residential water use will become 52.5 gpcd, and beginning January 1, 2030, the standard will decline to 50 gpcd. The bill requires that DWR and the State Water Board conduct studies, investigations, and recommends to the Legislature a standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the criteria currently outlined in the bill. The indoor standard will be the greater of the recommendation or the statutorily provided gpcd. A report on the results of the studies and investigations is required to be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2021. The studies and investigations must include an analysis of the benefits and impacts of how the changing standard for indoor residential water use will affect water and wastewater management, including potable water usage, wastewater, recycling and reuse systems, infrastructure, operations, and supplies. The studies and investigations must include collaboration with, and input from, a broad group of stakeholders.

Outdoor Residential & CII Water Use Standards, Studies and Reporting Requirements
The bill requires that DWR recommend, and the State Water Board adopt, long-term standards for outdoor residential water use and CII landscape areas with dedicated irrigation meters or
other means of calculating outdoor irrigation use. Both outdoor residential water use and CII landscape area standards shall be included to incorporate the principles of the model water efficient landscape ordinance (MWELO) by May 20, 2021. The tenets of MWELO are defined to include but are not limited to, evapotranspiration adjustment factors, landscape areas, maximum applied water allowance, reference evapotranspiration, and special landscape areas including the provisions governing evapotranspiration adjustment factors for different types of water used for irrigation. For residential outdoor water use, the standards adopted by the State Water Board will apply to irrigable lands and swimming pools/spas; ornamental water features shall be analyzed separately. The bill requires that DWR conduct pilot projects or studies before recommending standards to ensure that the data provided to local agencies is accurate for the data’s uses, and considers California’s diverse landscapes and community characteristics.

AB 1668 also requires, by June 30, 2022, that DWR and the State Water Board adopt performance measures for CII water use that are consistent with the October 21, 2013 “Report to the Legislature” by the CII Task Force. These performance measures are not included in the urban water use objective and must exclude provisions related to “process water,” as defined in the bill. Before the recommendations for performance measures for CII water use, DWR is required to solicit broad public participation from stakeholders. The law also requires the State Water Board, in coordination with DWR, to adopt long-term standards for the efficient use of water by June 30, 2022, for outdoor residential water use, outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use, and a volume for water loss.

**Water Loss**

For purposes of the urban water use objective, AB 1668 provides that the water loss standards set by the State Water Board under SB 555 (Chapter 679, Statutes of 2015) will be the standards used in the urban water use objective calculation.

**Variances for Water Use Objectives and Unique Uses**

By October 1, 2021, the bill requires that DWR recommend, and the State Water Board adopt, variances for unique uses that can affect an urban retail water supplier’s urban water use objective. Examples of variances for unique uses include, but are not limited to, significant: populations of horses and other livestock, fluctuations in seasonal populations, use of water for soil compaction and dust control, use of water to supplement ponds and lakes to sustain wildlife, use of water to irrigate vegetation for fire protection, and use of water for commercial or noncommercial agricultural use.

**Data Sharing and Reporting**

The bill also requires that DWR and the State Water Board analyze opportunities to streamline data reporting, as well as how agencies can integrate various data sets in publicly accessible locations. The bill requires DWR, in coordination with the State Water Board, to conduct necessary studies and investigations and recommend, no later than October 1, 2021, guidelines
and methodologies for DWR to adopt that identify how an urban retail water supplier calculates its urban water use objective.

**Fines for Violations**
The bill authorizes the State Water Board, after November 1, 2027, to impose fines for violating regulations adopted to implement the provisions of AB 1668. The fines are required to be up to $1,000 for each day that the violation occurs. If the violation occurs during a critical water year of a multi-year drought or a governor declared drought emergency, the fine could go up to $10,000 per day of violation.

**Agricultural Water Management Planning Act Revisions and Water Use Objectives:**

**Overview of Revisions**
AB 1668 revises the Agricultural Water Management Planning Act and establishes agricultural water use objectives and reporting requirements. The bill requires an agricultural management plan (AWMP) to 1) quantify measures to increase the efficiency of agricultural water use efficiency, 2) include an annual water budget, 3) describe the agricultural water supplier’s water management strategy with specified elements, and 4) include a drought plan describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions.

**Fines for Failure to Comply and Update AWMPs**
The bill requires DWR to review each AWMP. DWR may coordinate its review with the Department of Food and Agriculture (DFA) and the State Water Board. DWR must notify an agricultural water supplier if DWR determines that actions are required to comply with the requirements of the bill or if a supplier fails to update its AWMP. DWR is authorized to take corrective actions and may assess a fine of $1,000 per day, not to exceed $25,000, if an agricultural water supplier withholds data necessary for the preparation or completion of a plan.

**Reporting Requirements**
DWR, in consultation with the State Water Board, must submit a report to the Legislature on the agricultural efficient water management practices that have been implemented and are planned to be executed by December 31, 2021. The report shall include an assessment of the manner in which the implementation of efficient water management practices has affected and how it will affect agricultural operations, including estimated water use efficiency improvements.

**Small Water Supplier and Rural Community Requirements:**

**Identification and Recommendations**
AB 1668 requires DWR, by January 1, 2020, in consultation with the State Water Board and other relevant stakeholders, to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability. The bill also requires DWR to propose to the Governor and the Legislature, by January 1, 2020, recommendations and guidance regarding
the development and use of countywide drought contingency plans to address drought planning for the identified small water suppliers and rural communities. The recommendations shall include 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, and lastly, 5) the roles and responsibilities of interested parties and coordination with other relevant water management planning efforts.

Definitions:
The bill defines the following for purposes of the standards set forth in SB 606:

Large landscape: means a nonresidential landscape as described in the performance measures for CII water use.

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 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.

Process water: means water used by industrial water users for producing a product or product content or water used for research and development. Process water includes, but is not limited to, continuous manufacturing processes, and water used for testing, cleaning, and maintaining equipment. 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. Water used in the manufacturing process that is necessary for complying with local, state, and federal health and safety laws, and is not incidental water, is process water. Process water does not mean incidental water uses.

SB 606 Contingency and Implementation:
The bill includes language that the enactment and implementation of AB 1668 are contingent upon the enactment of SB 606 (Hertzberg).
**SB 606 and AB 1668 Implementation Deadlines**

<table>
<thead>
<tr>
<th>When</th>
<th>Who</th>
<th>What</th>
<th>Code Section</th>
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<tbody>
<tr>
<td>Beginning April 1, 2019, and annually thereafter</td>
<td>Agricultural water suppliers</td>
<td>Submit annual aggregated farm-gate delivery data reports for the prior year to DWR.</td>
<td>§531.10 (a)(1)</td>
</tr>
<tr>
<td>No later than January 1, 2020</td>
<td>Department of Water Resources (DWR)</td>
<td>Coordinate with the State Water Resources Control Board (State Water Board) to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability.</td>
<td>§10609.42(a)</td>
</tr>
<tr>
<td>By January 1, 2020</td>
<td>DWR</td>
<td>Consult with the Governor and the Legislature 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.</td>
<td>§10609.42(b)</td>
</tr>
<tr>
<td>By January 1, 2020</td>
<td>DWR</td>
<td>Coordinate with the State Water Board to propose recommendations and guidance to the Governor and the Legislature 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.</td>
<td>§10609.42(b)</td>
</tr>
<tr>
<td>By January 1, 2020</td>
<td>State Water Board</td>
<td>Coordinate with DWR to adopt variances, guidelines, and methodologies pertaining to the calculation of an urban retail water supplier’s urban water use objective.</td>
<td>§10609.2(e)</td>
</tr>
<tr>
<td>No later than October 1, 2021</td>
<td>State Water Board</td>
<td>Coordinate with the State Water Board to conduct studies and investigations to report and recommend to the Legislature an alternative standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the standard described in §10609.4(a).</td>
<td>§10609.4(b)(1)</td>
</tr>
<tr>
<td>By January 1, 2021</td>
<td>DWR</td>
<td>Provide each urban retail water supplier with data regarding the area of residential irrigable lands.</td>
<td>§10609.6(C)(b)</td>
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<tr>
<td>On or before April 1, 2021</td>
<td>Agricultural water suppliers</td>
<td>Update agricultural water management plan (AWMP) and submit the AWMP to DWR every five years on or before April 1.</td>
<td>§10820(2)(A)</td>
</tr>
<tr>
<td>No later than October 1, 2021</td>
<td>State Water Board and DWR</td>
<td>Jointly conduct studies and investigations and recommend standards for outdoor residential use for adoption by the State Water Board.</td>
<td>§10609.6(a)(1)</td>
</tr>
<tr>
<td>No later than October 1, 2021</td>
<td>DWR</td>
<td>Coordinate with the State Water Board to conduct studies and investigations and recommend 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 State Water Board.</td>
<td>§10609.8(a)</td>
</tr>
<tr>
<td>No later than October 1, 2021</td>
<td>DWR</td>
<td>Coordinate with the State Water Board to conduct studies and investigations and recommend performance measures for commercial, industrial, institutional (CII) and large landscape water use for adoption by the State Water Board.</td>
<td>§10609.10(a)</td>
</tr>
<tr>
<td>No later than October 1, 2021</td>
<td>DWR</td>
<td>Coordinate with the State Water Board to conduct studies and investigations and recommend appropriate variances for unique uses for adoption by the State Water Board.</td>
<td>§10609.14(a)</td>
</tr>
<tr>
<td>No later than October 1, 2021</td>
<td>DWR</td>
<td>Coordinate with the State Water Board to conduct studies and investigations and recommend guidelines and methodologies for the board to adopt that identify how an urban retail water supplier calculates its urban water use objective for adoption by the State Water Board.</td>
<td>§10609.16</td>
</tr>
<tr>
<td>On or before April 30, 2022</td>
<td>DWR</td>
<td>Submit a report every five years that summarizes the status and evaluation of AWMP of agricultural water suppliers.</td>
<td>§10845(a)</td>
</tr>
<tr>
<td>By May 30, 2022</td>
<td>State Water Board</td>
<td>Identify the standards and potential effects on local wastewater management, developed and natural parklands, and urban tree health.</td>
<td>§10609.2(c)</td>
</tr>
<tr>
<td>On or before June 30, 2022</td>
<td>State Water Board</td>
<td>Coordinate with DWR to adopt long-term standards for the efficient use of water.</td>
<td>§10609.2(a)</td>
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<tr>
<td>On or before June 30, 2022</td>
<td>State Water Board</td>
<td>Coordinate with DWR and adopt performance measures for CII water use.</td>
<td>§10609.10(d)(1)</td>
</tr>
<tr>
<td>June 1, 2022, and annually thereafter</td>
<td>Urban Water Supplier</td>
<td>Submit an annual water supply and demand (water shortage) assessment report to DWR.</td>
<td>§10632.1</td>
</tr>
<tr>
<td>July 1, 2022, and every five years thereafter</td>
<td>DWR</td>
<td>Submit a report summarizing the status of 2020 plans and water shortage contingency plans (WSCPs) to the Legislature.</td>
<td>§10644(c)(1)(A)</td>
</tr>
<tr>
<td>By November 1, 2023, and annually thereafter</td>
<td>Urban Retail Water Suppliers</td>
<td>Deadline to calculate urban water use objective and report to DWR.</td>
<td>§10609.20(a)</td>
</tr>
<tr>
<td>By November 1, 2023, and annually thereafter</td>
<td>Urban Retail Water Suppliers</td>
<td>Deadline to calculate the previous years' actual urban water use and report to DWR.</td>
<td>§10609.22(a)</td>
</tr>
<tr>
<td>On and after November 1, 2023</td>
<td>State Water Board</td>
<td>Issue informational orders for water production, water use, and water conservation to urban retail water suppliers that do not meet their urban water use objectives.</td>
<td>§10609.26(a)(1)</td>
</tr>
<tr>
<td>On or before January 10, 2024</td>
<td>Legislative Analyst's Office</td>
<td>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.</td>
<td>§10609.30</td>
</tr>
<tr>
<td>On and after November 1, 2024</td>
<td>State Water Board</td>
<td>Issue written notices to urban retail water suppliers that do not meet their urban water use objectives.</td>
<td>§10609.26(4)(b)</td>
</tr>
<tr>
<td>By January 1, 2024</td>
<td>Urban Retail Water Suppliers</td>
<td>Submit to DWR a supplement to the adopted 2020 plan.</td>
<td>§10621(f)(2)</td>
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<td>When</td>
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<tr>
<td>Beginning January 1, 2025</td>
<td>Urban Retail Water Suppliers</td>
<td>Abide by a standard for indoor residential water use of 52.5 gpcd.</td>
<td>§10609.4(a)(2)</td>
</tr>
<tr>
<td>On and after November 1, 2025</td>
<td>State Water Board</td>
<td>Issue conservation orders to urban retail water suppliers that do not meet their urban water use objectives.</td>
<td>§10609.26(4)(c)(1)</td>
</tr>
<tr>
<td>On or around January 1, 2026</td>
<td>Chair, State Water Board &amp; Director, DWR</td>
<td>Appear before the appropriate policy committees of both houses of the Legislature to report on the implementation of the water use efficiency standards and water use reporting.</td>
<td>§10609.32</td>
</tr>
<tr>
<td>By January 1, 2027</td>
<td>Urban Retail Water Suppliers</td>
<td>Provide a narrative in addition to the supplement that describes the water demand management measures that the supplier plans to implement to achieve its urban water use objective.</td>
<td>§10631(e)(1)(B)</td>
</tr>
<tr>
<td>After November 1, 2027</td>
<td>State Water Board</td>
<td>Impose fines for violations of long-term standards for efficient water use (from a minimum of $1,000/day to a maximum of $10,000/day in a drought emergency or critically dry year).</td>
<td>§1846.5(a)(1)(2)</td>
</tr>
<tr>
<td>Beginning January 1, 2030</td>
<td>Urban Retail Water Suppliers</td>
<td>Abide by a standard for indoor residential water use of 50 gpcd.</td>
<td>§10609.4(a)(3)</td>
</tr>
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</table>
COMMITTEE AGENDA MEMORANDUM

Water Conservation and Demand Management

SUBJECT: Fixed Charge Analysis Update.

RECOMMENDATION: Receive an update regarding the status of the Fixed Charge Analysis.

SUMMARY: The District has hired a consultant, Raftelis Financial Consultants, Inc. (Consultant), to assist with the analysis and implementation of a Fixed Charge. As reported at the February 28, 2018 committee meeting, staff has been researching the fixed charge concept pursuant to the Sustainable Groundwater Management Act (SGMA), with the objective of improving revenue stability for the District while maintaining revenue neutrality relative to the current rate structure.

To date, the Consultant and District staff have conducted an initial kick-off meeting and staff has responded to initial data requests from the Consultant.

A project schedule is being drafted that will include progress reports to the Board and various Board Committees at upcoming meetings to solicit feedback.

If available, additional information will be reported to the committee verbally at this meeting.

ATTACHMENTS: None

UNCLASSIFIED MANAGER: Darin Taylor, 408-630-3068
COMMITTEE AGENDA MEMORANDUM

Water Conservation and Demand Management

SUBJECT:
Review Water Conservation and Demand Management Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee’s Next Meeting Agenda.

RECOMMENDATION:
Review the Committee work plan to guide the Committee’s discussions regarding policy alternatives and implications for Board deliberation.

SUMMARY:
The attached Work Plan outlines the Board-approved topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan is agendized at each meeting as accomplishments are updated and to review additional work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:
The District Act provides for the creation of advisory boards, committees, or committees by resolution to serve at the pleasure of the Board.

Accordingly, the Board has established Advisory Committees, which bring respective expertise and community interest, to advise the Board, when requested, in a capacity as defined: prepare Board policy alternatives and provide comment on activities in the implementation of the District’s mission for Board consideration. In keeping with the Board’s broader focus, Advisory Committees will not direct the implementation of District programs and projects, other than to receive information and provide comment.

Further, in accordance with Governance Process Policy-3, when requested by the Board, the Advisory Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

ATTACHMENTS:
Attachment 1: Water Conservation and Demand Management Committee 2018 Work Plan
Attachment 2: Water Conservation and Demand Management Committee Draft Agenda
UNCLASSIFIED MANAGER:
Michele King, 408-630-2711
The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The committee work plan is a dynamic document, subject to change as external and internal issues impacting the District occur and are recommended for committee discussion. Subsequently, an annual committee accomplishments report is developed based on the work plan and presented to the District Board of Directors.

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<tr>
<th>ITEM</th>
<th>WORK PLAN ITEM</th>
<th>MEETING</th>
<th>ACTION/DISCUSSION OR INFORMATION ONLY</th>
<th>ACCOMPLISHMENT DATE AND OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Election of Chair and Vice Chair for 2018</td>
<td>2-28-18</td>
<td>Discussion/Action Item</td>
<td>Accomplished 02/28/18: The Committee voted to retain Director Richard P. Santos as Chair and Director Linda J. LeZotte as Vice Chair’ for 2018.</td>
</tr>
<tr>
<td>2</td>
<td>Water Conservation and Demand Management Committee 2017 Accomplishments Report</td>
<td>2-28-18</td>
<td>Discussion</td>
<td>Accomplished 02/28/18: The Committee reviewed the 2017 work plan accomplishments and took no action.</td>
</tr>
</tbody>
</table>
| 3    | Develop Water Conservation and Demand Management Committee’s 2018 Work Plan, in consideration of the following potential topics:  
• Current water conservation programs and resources  
• Water Supply Master Plan “No Regrets” programs  
• Shallow groundwater  
• Fixed/variable charges  
• Open Space credit  
• State’s effort to Make Water Conservation a California Way of Life  
• Water Supply Reliability Level of Service Goal | 2-28-18  | Discussion/Action Item                | Accomplished 02/28/18: The Committee received an overview of the 2018 work plan and added one additional item to the Climate Plan and invited the City of San Jose’s Environmental Services Division (ESD) to make a presentation. |
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<tbody>
<tr>
<td>4</td>
<td>Review of Water Conservation and Demand Management Committee Work Plan, the Outcomes of Board Action of Committee Requests and the Committee’s Next Meeting Agenda</td>
<td>2-28-18, 4-30-18, 6-25-18, 8-29-18, October, December</td>
<td>Discussion/Action Item</td>
<td>Accomplished 02/28/18: The Committee received an overview of the 2018 work plan and took no action.</td>
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<td>Accomplished 04/30/18: The Committee received an overview of the 2018 work plan and took no action.</td>
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<td>Accomplished 06/25/18: The Committee received an overview of the 2018 work plan and took no action.</td>
</tr>
<tr>
<td>5</td>
<td>Water Conservation Options for Agriculture</td>
<td>4-30-18</td>
<td>Discussion/Action Item</td>
<td>Accomplished 04/30/18: The Committee received an overview of the Water Conservation Options for Agriculture and took no action.</td>
</tr>
<tr>
<td>6</td>
<td>Water Supply Reliability Level of Service Goal</td>
<td>4-30-18, 6-25-18</td>
<td>Discussion/Action Item</td>
<td>Accomplished 04/30/18: The Committee received an overview of the Water Supply Reliability Level of Service Goal and took no action, however, provided staff with comments.</td>
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<tr>
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<td>Accomplished 06/25/18: The Committee received an overview of the Water Supply Reliability Level of Service Goal and took no action.</td>
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</table>

Yellow = Update Since Last Meeting  
Blue = Action taken by the Board of Directors
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<tr>
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<tr>
<td>7</td>
<td>Current Water Conservation Programs and Resources</td>
<td>4-30-18</td>
<td>Discussion/Action Item</td>
<td>Accomplished 04/30/18: The Committee received an overview of the Current Water Conservation Programs and Resources and took no action, however, provided staff with comments.</td>
</tr>
<tr>
<td>8</td>
<td>Water Supply Master Plan “No Regrets” Programs</td>
<td>4-30-18</td>
<td>Discussion/Action Item</td>
<td>Accomplished 04/30/18: The Committee received an overview of the Water Supply Master Plan “No Regrets” Programs and took no action, however, provided staff with comments. If staff comes up with any cost sharing/subsidy program, bring it back to the Committee for discussion.</td>
</tr>
<tr>
<td>9</td>
<td>Shallow groundwater</td>
<td>6-25-18</td>
<td>Discussion/Action Item</td>
<td>Accomplished 06/25/18: The Committee received information on shallow groundwater and took no action.</td>
</tr>
<tr>
<td>10</td>
<td>Climate Smart San Jose Plan-City of San Jose ESD-presentation</td>
<td>6-25-18</td>
<td>Discussion/Action Item</td>
<td>Accomplished 06/25/18: The Committee received a presentation by City of San José staff on the City’s Climate Plan and took no action.</td>
</tr>
</tbody>
</table>

Yellow = Update Since Last Meeting  
Blue = Action taken by the Board of Directors
<table>
<thead>
<tr>
<th>ITEM</th>
<th>WORK PLAN ITEM</th>
<th>MEETING</th>
<th>ACTION/DISCUSSION OR INFORMATION ONLY</th>
<th>ACCOMPLISHMENT DATE AND OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Water Conservation Programs for the Landscape Sector</td>
<td>6-25-18</td>
<td>Discussion/Action Item</td>
<td>Accomplished 06/25/18: The Committee received information on Water Conservation Programs for the Landscape Sector and took no action.</td>
</tr>
<tr>
<td>12</td>
<td>State’s effort to Make Water Conservation a California Way of Life</td>
<td>8-29-18</td>
<td>Discussion/Action Item</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Fixed/variable charges</td>
<td>8-29-18</td>
<td>Discussion/Action Item</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Update on Direct Potable Reuse-Treatment Plant/Reservoir (per 4-30-18, public comment request-D. Muirhead)</td>
<td>October</td>
<td>Discussion/Action Item</td>
<td></td>
</tr>
</tbody>
</table>
DRAFT AGENDA

WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE

OCTOBER 2018 (TBD)

10:00 a.m. - 12:00 p.m.

Santa Clara Valley Water District
Headquarters Building Boardroom
5700 Almaden Expressway
San Jose, CA 95118

Time Certain
10:00 a.m.

1. Call to Order/Roll Call

2. Time Open for Public Comment on Any Item Not on the Agenda
   Comments should be limited to two minutes. If the Committee wishes to discuss a subject raised by the speaker, it can request placement on a future agenda.

3. Approval of Minutes
   3.1 Approval of Minutes – August 29, 2018, meeting

4. Discussion/Action Items
   4.1 Current Water Conservation Programs and Resources (Jerry De La Piedra)
      Recommendation: This is a discussion item and the Committee may provide comments, however, no action is required.

   4.2 Water Supply Master Plan “No Regrets” Programs (Tracy Hemmert/Michael Martin)
      Recommendation: This is a discussion item and the Committee may provide comments, however, no action is required.

   4.3 Update on Direct Potable Reuse-Treatment Plant/Reservoir (per 4-30-18, public comment request-D. Muirhead) (Hossein Ashktorab)
      Recommendation: This is a discussion item and the Committee may provide comments, however, no action is required.

   4.4 Review of Water Conservation and Demand Management Committee Work Plan, the Outcomes of Board Action of Committee Requests and the Committee’s Next Meeting Agenda (Committee Chair)
      Recommendation: Review of Water Conservation and Demand Management Committee Work Plan, any Outcomes of Board Action or Committee Requests and the Committee’s Next Meeting Agenda.

5. Information Items:
   5.1 Shallow Groundwater (Vanessa De La Piedra)
      Recommendation: This is an information only and no action is required.
6. **Clerk Review and Clarification of Committee’s Requests**

   This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during discussion of Item 4.

7. **Adjourn**: Adjourn

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**REASONABLE EFFORTS TO ACCOMMODATE PERSONS WITH DISABILITIES WISHING TO ATTEND COMMITTEE MEETINGS WILL BE MADE. PLEASE ADVISE THE CLERK OF THE BOARD OFFICE OF ANY SPECIAL NEEDS BY CALLING (408) 630-2277.**

Meetings of this committee will be conducted in compliance with all Brown Act requirements. All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the same time that the public records are distributed or made available to the legislative body, at the following location:

Santa Clara Valley Water District, Office of the Clerk of the Board
5700 Almaden Expressway, San Jose, CA 95118

**Water Conservation and Demand Management Committee:**

**Purpose**: To support the Board of Directors in achieving its policy to provide a reliable water supply to meet current and future water usage by making policy recommendations related to demand management.