



**ACTION ITEM**  
April 19, 2017

**TO:** Board of Directors

**FROM:** **Public Affairs & Legislation Committee**  
(Directors Dick, Tamaribuchi, and Yoo Schneider)

Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: AB 968 (Rubio) – Long-Term Water Use Efficiency**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors vote to consider adopting a conditional support position on AB 968 (Rubio) as it is still in draft form.

**COMMITTEE RECOMMENDATION**

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The Committee recommended a “support as proposed to be amended.” The bill was amended as proposed and the new (and approved) language is attached

**SUMMARY**

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AB 968 is a spot bill that will respond to the Governor’s Executive Order issued in May 2016 (EO B-37-16) requiring new water use targets that build on the existing 20 percent reduction in urban water usage by 2020 (SB-X7-7, 2009-2010). Under the Executive Order, the targets must be customized to the unique conditions of each water agency and be based on strengthened standards for: indoor residential per capita water use; outdoor irrigation; commercial, industrial and institutional water use; and water lost through leaks.

ACWA’s State Legislative Committee has developed language to address this issue. The bill is expected to be amended to include this language at some point in the near future. (The Committee’s language for another element of the Executive Order – water shortage planning – was amended into another spot bill, AB 1654, on March 28. AB 968 is a companion piece with AB 1654.)

|   |                      |  |                                    |
|---|----------------------|--|------------------------------------|
| <b>Budgeted (Y/N):</b> n/a                    | Budgeted amount: n/a | Core <input checked="" type="checkbox"/> x | Choice <input type="checkbox"/> __ |
| <b>Action Item Amount:</b> none               |                      | Line Item:                                 |                                    |
| <b>Fiscal Impact (explain if unbudgeted):</b> |                      |  |                                    |

### Water Use Efficiency Targets

AB 968, as amended, would retain the Legislature's existing authority to establish or change long-term targets or standards, and would establish a long-term framework for urban water use efficiency. It would provide that urban retail water suppliers would retain authority for setting their own water use efficiency targets for 2025 in their 2020 UWMP, based on methods prescribed in the statute. Such targets could be determined on a fiscal or calendar year basis, and a supplier would be able to adjust and update the target based on population growth, changes in irrigable landscape area, and other changes affecting water use.

### Compliance

Under the amended bill, suppliers would be required to meet their water use efficiency targets by December 31, 2025, unless economic or hydrologic conditions beyond the supplier's control renders it impossible. Urban retail water suppliers could report progress toward achieving targets on an individual or regional basis. They would be required to report on their compliance in their 2025 UWMP. Calculations for determining compliance would be included in the statute. DWR would be required to develop, in consultation with the Urban Stakeholder Committee, standardized variance methodologies for livestock, swamp coolers, significant transient population increases, construction water for soil compaction and dust control, and other factors. (The bill contains provisions regarding how the Urban Stakeholder Committee would function.)

### Commercial, Industrial and Institutional Sectors

To address commercial, industrial and institutional sectors, the proposed language calls for DWR to be required to convene a task force including urban retail water suppliers, urban wholesale water suppliers, and others. The objective would be to recommend appropriate water efficiency measures for various segments of these three water use sectors. The task force, in consultation with DWR and the Water Board, would be required to submit a report to the Legislature about the recommendations by December 31, 2019.

### Irrigable Areas

Regarding irrigable areas, the bill as amended would contain provisions governing the use of aerial imagery to determine the extent of such areas, and DWR's maintenance of a database related to this information. It would allow an urban retail water supplier to use its own database of validated aerial imagery, measured irrigable area and date of parcel development for properties within its service areas if the supplier certifies it is of comparable or better quality than DWR's database.

### Other Provisions

The proposed language includes many other provisions. For example, the bill, as amended, would establish that recycled water, as defined, would be excluded from the "gross water use" volume used to calculate targets under one of the prescribed calculation methods. Additionally, the proposed language declares that existing water rights law would not be disturbed by the bill and that the State Water Board would not be authorized or have enhanced authority to alter any existing water rights beyond the Board's power to do so prior to enactment.

## **ARGUMENTS IN SUPPORT**

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Legislation has been developed by the Governor's Office to implement the new "Making Water Conservation a California Way of Life" plan, released by the Administration in final form on April 7 in response to the Governor's Executive Order B-37-16. The proposed legislation by the Administration is in the form of budget trailer bill language. It is widely viewed within the water community as taking away local control from water agencies, vesting the State Water Resources Control Board with too much authority, and placing significant and permanent new burdens on local water suppliers.

AB 968 will be the vehicle to carry the water use efficiency targets language developed by ACWA's State Legislative Committee in response to the Governor's Executive Order B-37-16 and the state's new water conservation framework. Bill language has been drafted by the ACWA Urban Long-Term Conservation Work Group, comprised of more than 50 ACWA member agency representatives.

## **ARGUMENTS IN OPPOSITION**

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No formal opposition has been registered at this point.

## **COMMENTS**

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Many water suppliers are expected to take actions of support (some have already put these actions in motion), in part because of concerns about the Governor's budget trailer bill legislation.

## **DETAILED REPORT**

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The proposed text of AB 968 is attached.