

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2022-0044**

**TO ADOPT A RULE ESTABLISHING WATER LOSS PERFORMANCE
STANDARDS FOR URBAN RETAIL WATER SUPPLIERS**

WHEREAS:

1. Climate change has impacted and will continue to impact California's water supplies. Increases in extreme events, such as larger and warmer storms, result in increased rainfall and flooding, threatening dams, levees, and other infrastructure. Less precipitation results in reduced snowpack and longer and more persistent droughts throughout the state. This will increase pressure on groundwater resources. These impacts will continue to threaten California's water supply and water quality.

2. California and much of the Western U.S. is immersed in a third consecutive year of extreme drought. This is also the third statewide drought declared in California during this century (2007-2009, 2012-2016, 2020 – present). January, February, and March 2022 were the driest first quarter on record dating back over 100 years, with just six inches of precipitation observed across the Sierra Nevada. All of California's 58 counties are under a drought emergency proclamation as of 2022, and the Governor has asked residents to reduce their water use by 15 percent from 2020 levels to protect water reserves.

3. With pressure on California's water resources growing, it has become increasingly challenging for water managers in California to provide affordable, reliable water for all who need it. California's Water Supply Strategy aims to expand supplies by 1.6 million acre-feet by 2030, in addition to creating capacity of more than three million acre-feet of new storage to mitigate the impacts of the anticipated 10 percent reduction of traditional water supplies. To build upon the conservation achievements of the last two decades, the Strategy outlines actions to reduce annual water demand in towns and cities by at least half a million acre-feet by 2030.

4. Water conservation is the easiest, most efficient, and most cost-effective way to quickly reduce water demand and extend supplies into the future, providing flexibility for all California communities. Reducing water loss is an important component of water conservation and can help urban retail water suppliers meet demand.

5. In 2018, the California State Legislature passed Assembly Bill (AB) 1668 and Senate Bill (SB) 606, which outlined a framework for long-term water use efficiency and conservation in urban areas of California. The framework will establish standards for “the efficient use of water.” Using these standards, including the water loss performance standards this resolution adopts, each Urban Retail Water Supplier will calculate an urban water use objective, which is defined as the aggregate amount of water delivered by a Supplier if all that water was used efficiently.
6. Water Code section 10608.34 (added by Senate Bill 555 of 2015) directed the State Water Resources Control Board (State Water Board or Board) to adopt rules requiring urban retail water suppliers to meet economically feasible performance standards for real water losses. The standards this resolution adopts reflect the unique characteristics of each supplier’s systems, with each supplier providing its own data to inform system-specific standards.
7. Water loss control should be part of each urban retail water supplier’s overall water management and water conservation activities. Nationwide, water supply infrastructure has been inadequately maintained over past decades resulting in significant levels of water loss due to leakage from water distribution systems. In 2019, according to data submitted to the Department of Water Resources, multiple suppliers were losing over 100 gallons per connection per day and total statewide losses were 261,000 acre-feet (AF).
8. Water loss control can generate net benefits for urban retail water suppliers and their ratepayers, due to water savings and associated energy savings and water quality improvements. Other benefits include the prevention or reduction of unexpected main breaks, water outages, traffic caused by repairs, contamination of water due to defects in infrastructure, carbon emissions associated with water treatment and pumping activities.
9. The State Water Board lacks comprehensive information on leaks throughout California. To meet future state conservation goals, a database on leakage in different sizes and types of distribution systems is valuable. The regulation this resolution adopts will also help establish the first ever statewide leaks registry.
10. On December 24, 2021, in accordance with applicable state laws and regulations, the State Water Board issued public notice of the availability

of regulatory documents for public review, including the proposed text of the regulation, the Initial Statement of Reasons, and the Economic and Fiscal Analysis required by Government Code sections 11346.3 and 11346.5, subdivision (a)(6), and State Administrative Manual Chapter 6600, with an appendix containing a Standard Form 399. The notice also contained information about a public hearing for stakeholders that was held on February 10, 2022.

11. On September 2, 2022, in accordance with applicable state laws and regulations, the State Water Board issued public notice of the availability of changes to the proposed regulatory text.
12. The State Water Board prepared an Initial Study and Negative Declaration in accordance with the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.). As there is no substantial evidence that the project will have a significant effect on the environment and as the negative declaration reflects the lead agency's independent judgment and analysis, the State Water Board adopts the proposed negative declaration. (Pub. Resources Code, § 21083 et seq.).
13. A Final Statement of Reasons will be submitted to the Office of Administrative Law (OAL) and will include responses to comments on the draft regulatory documents submitted during the rulemaking period; the State Water Board has carefully considered all oral and written comments received on the proposed regulation, responses to comments, and all other materials in the record.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. The State Water Board adopts California Code of Regulations, title 23, sections 980-986, as appended to this resolution, as a regulation.
2. State Water Board staff will submit the regulation to OAL for final approval.
3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or designee may make such changes.

4. The State Water Board certifies that the negative declaration has been completed in compliance with CEQA. The State Water Board has reviewed and considered the information contained in these documents, which reflect the State Water Board's independent judgment and analysis.

5. The State Water Board, recognizing this is the first step in a multi-year regulatory effort, directs staff to report to the Board as appropriate on implementation issues, including progress on data evaluation, model refinement, new assessment technology, and consideration of potential challenges associated with system consolidation, and to formally report back to the Board at a public meeting on or before November 1, 2028, with a summary of surveys received, any lessons learned from early implementation of the regulation, and anticipated next steps. The 2028 report shall include input from stakeholders.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on October 19, 2022.

AYE: Chair E. Joaquin Esquivel
 Vice Chair Dorene D'Adamo
 Board Member Sean Maguire
 Board Member Laurel Firestone
 Board Member Nichole Morgan

NAY: None
ABSENT: None
ABSTAIN: None

 for _____
Jeanine Townsend
Clerk to the Board