NOTICE OF PROPOSED EMERGENCY RULEMAKING
March 6, 2015

Prohibition of Activities and Mandatory Actions during Drought Emergency

Required Notice of Proposed Emergency Action
Government Code section 11346.1, subdivision (a)(2) requires that, at least five working days prior to submission of a proposed emergency regulation to the Office of Administrative Law (OAL), the adopting agency must provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After the submission of the proposed emergency action to OAL, OAL shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6. This document and the accompanying information provide the required notice.

Proposed Emergency Action
On January 17, 2014, Governor Brown declared a drought state of emergency. On April 25, 2014 the Governor signed an Executive Order calling on the State to redouble state drought actions. Among other things, the Executive Order directed the State Water Board to adopt emergency regulations as it deems necessary, pursuant to Water Code section 1058.5, to ensure that Urban Water Suppliers implement drought response plans to limit outdoor irrigation and other wasteful water practices.

Water Code section 1058.5 grants the State Water Resources Control Board (State Water Board) the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.”

On July 15, 2014, the State Water Board adopted Resolution 2014-0038, which adopted an emergency regulation for water conservation that added new sections to title 23 of the California Code of Regulations. That emergency regulation became effective on July 28, 2014, upon approval by the Office of Administrative Law. Absent further action, the existing emergency regulation will expire on April 25, 2015. On March 17, 2015, the State Water Board will consider a resolution to readopt the existing emergency regulation, with some updates, for an additional 270 days. The proposed updated emergency regulation consists of four main types of requirements: a prohibition on certain irrigation practices, restrictions on certain commercial activities, an order for all urban water suppliers to implement mandatory restrictions on outdoor irrigation, and an order for water suppliers with 3,000 or more service connections to provide monthly data on water production, compliance actions, and outdoor water conservation measures being implemented.
Proposed Text of Emergency Regulations
See the attached proposed text of the emergency regulation.

Finding of Emergency (Gov. Code, § 11346.1, subd. (b))
The State Water Board finds that an emergency exists due to severe drought conditions and that adoption of the proposed emergency regulation is necessary to address the emergency. California is currently in the fourth year of a significant drought resulting in severe impacts to California’s water supplies and its ability to meet all of the demands for water in the State. On January 17, 2014, Governor Edmund G. Brown, Jr. declared a drought state of emergency. On April 25, 2014 the Governor signed an Executive Order (April 2014 Proclamation) stating, among things, “…that severe drought conditions continue to present urgent challenges: water shortages in communities across the state, greatly increased wildfire activity, diminished water for agricultural production, degraded habitat for many fish and wildlife species, threat of saltwater contamination of large fresh water supplies conveyed through the Sacramento-San Joaquin Bay Delta, and additional water scarcity if drought conditions continue into 2015.” Due to these concerns, the April 2014 Proclamation directs the State Water Board to adopt emergency regulations as it deems necessary, pursuant to Water Code section 1058.5, to ensure that urban water suppliers implement drought response plans to limit outdoor irrigation and other wasteful water practices. The April 2014 Proclamation suspended the requirement for review under the California Environmental Quality Act (CEQA) for certain activities, including adoption of emergency regulations by the Board pursuant to Water Code section 1058.5. On December 22, 2014, Governor Brown issued Executive Order B-28-14, which extended the suspension of the CEQA for certain activities contained in the January 2014 and April 2014 Proclamations, including Board adoption of emergency regulations pursuant to Water Code section 1058.5, through May 31, 2016.

On July 15, 2014 the State Water Board approved an emergency regulation for urban water conservation. On July 28, 2014 the emergency regulation became effective upon approval by the Office of Administrative Law. Absent further action, the emergency regulation will expire on April 25, 2015. Continued action is, however, needed to ensure urban water suppliers and all Californians are taking sufficient actions to conserve water and preserve the State’s water supply.

The State Water Board is unable to address the situation through non-emergency regulations because the standard rulemaking process cannot timely address the current severe drought emergency that is the focus of these regulations. Furthermore, as noted above, the Governor’s April 2014 Proclamation orders the State Water Board to adopt emergency regulations pursuant to Water Code section 1058.5 to address the issues that are the focus of this proposed regulation.

Authority and Reference (Gov. Code, § 11346.5, subd. (a)(2))
Water Code sections 1058 and 1058.5 provide authority for the emergency regulation. The proposed updated emergency regulation implements, interprets, or makes specific Water Code sections 102, 104, 105, 350, 10617, and 10632.

Informative Digest (Gov. Code, § 11346.5, subd. (a)(3))
Absent the existing emergency regulation, there is no statewide prohibition on specific water uses to promote conservation. There is also no law or regulation requiring urban water suppliers to implement specific stages of their water shortage contingency plans, or report the amount of water they produce to the state. There is also no law or regulation requiring distributors of public water supplies who are not urban water suppliers to adopt water shortage
contingency plans, limit outdoor irrigation by their customers, or implement other mandatory conservation measures. The existing emergency regulation constitutes the first statewide directive to individuals and to urban water suppliers to undertake specific actions to respond to the drought emergency; consequently, the proposed regulation is consistent and compatible with existing regulations on this subject. The proposed regulation neither differs from nor conflicts with an existing comparable federal statute or regulation.

The proposed regulation is intended to safeguard urban water supplies in the event of another dry year. It is both reasonable and prudent to maintain urban water supplies to the maximum extent feasible to provide local agencies with the necessary flexibility to meet the health and safety needs of Californians during the drought emergency. California has been subject to multi-year droughts in the past and there is no guarantee that precipitation during the period the proposed regulation would be in effect will lift the State out of the current drought conditions. Moreover, climate change science indicates that the Southwestern United States are becoming drier, increasing the likelihood of prolonged droughts. In addition, drought conditions have already forced the State Water Board to curtail surface water diversions, and many groundwater basins around the state are already in overdraft conditions that will likely worsen due to groundwater pumping this summer. Many water supply systems face a present or threatened risk of inadequate supply. Should drought conditions persist through 2015 or beyond, more water supply systems will be at risk of depleting supplies, presenting a great risk to the health and safety of the people supplied by those systems. Maintaining urban water supplies through enhanced conservation will reduce the risks to health and safety and reduce negative impacts to the State’s economy.

Each of the specific prohibitions on water uses is necessary to promote water conservation to maintain an adequate supply during the drought emergency, which cannot be done if water is being used in an excessive or wasteful manner. These prohibitions affect practices that use excessive amounts of water or where more efficient and less wasteful alternatives are available. These practices are particularly unreasonable during a drought due to the need to conserve limited water supplies to meet health and safety needs. Consequently, the proposed regulation will further protection of the environment.

Additional benefits will be realized should the Board adopt the proposed regulation. These benefits include the following:

- Reduced water bills for customers that reduce water use (some of these savings will generate additional economic activity, such as investments in drought-tolerant landscaping).
- Increased water quality in receiving waters due to lower runoff volumes.
- Increased drought awareness and shared sense of responsibility among urban water users as well as out-of-state guests at California hotels, motels, restaurants and bars.
- More effective tracking of total urban water use.
- Reduced potential for severe economic disruption if 2016 is another dry year.

These benefits will offset some of the fiscal impacts to water suppliers when benefits and costs are viewed from a statewide perspective. Therefore, these benefits provide additional justification for adopting the proposed regulation.
Proposed emergency regulation section 863 sets forth the Board’s findings of drought emergency, noting the Governor’s adoption of two emergency proclamations pertaining to drought conditions, the persistence of drought conditions, the dry nature of the preceding two years, and the likelihood that drought conditions will continue.

Proposed emergency regulation section 864 prohibits several activities to promote conservation, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency. The section prohibits the application of water to outdoor landscapes in a manner that causes visible runoff, the use of a hose to wash an automobile except where the hose is equipped with a shut-off nozzle, the application of water to hardscapes, the use of potable water in non-recirculating ornamental fountains, and the application of potable water to outdoor landscapes during or within 48 hours after measurable rainfall. This section also prohibits serving water except when requested in restaurants and bars and requires the operators of hotels and motels to offer patrons the option of not having their towels and linens washed daily.

Proposed emergency regulation section 865 directs urban water suppliers to implement the stage of their water shortage contingency plan that imposes mandatory restrictions on the number of days that outdoor irrigation is allowed, requires those urban water suppliers without adequate water shortage contingency plans to adopt them or other measures to promote conservation within thirty days, and report monthly water production information to the Board. This section also requires urban water suppliers that don’t already impose a limit on the number of days that outdoor watering is allowed to limit outdoor irrigation of turf and ornamental landscapes to no more than two days per week. This section requires urban water suppliers to notify their customers when suppliers are aware of leaks within the customer’s control. The section directs distributors of public water supplies that are not urban water suppliers to either limit outdoor irrigation or implement another mandatory conservation measure or measures to achieve conservation.

Other Matters Prescribed by Statute (Gov. Code, § 11346.5, subd. (a)(4))
The proposed emergency regulation would be adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions.

Local Mandate (Gov. Code, § 11346.5, subd. (a)(5))
The State Water Board has determined that adoption of proposed sections 863 and 864 does not impose a new mandate on local agencies or school districts. The sections are generally applicable law.

The State Water Board has further determined that adoption of proposed section 865 does not impose a new mandate on local agencies or school districts, because the local agencies affected by the section have the authority to levy service charges, fees, or assessments sufficient to pay for the mandate program or increased level of service. (See Gov. Code, § 17556.)
Estimate of Cost or Savings (Gov. Code, § 11346.5, subd. (a)(6))
Increased urban water conservation will result in reduced water use, which in turn will result in reduced water sales and lost revenue for urban water suppliers. This loss in revenue will be a function of the amount of water conserved (and therefore not sold) and the unit price that water would have sold for. In addition to lost revenue from reduced water sales, urban water suppliers will also incur costs associated with water production reporting as required by the proposed emergency regulations. The State Water Board estimates that local agencies that are urban water suppliers could collectively realize as much as $438,185,664 in lost revenue as a result of implementing the proposed regulations. Additionally, the reporting costs to local government are estimated to be $961,740. The total costs to local government are therefore estimated to be $439,147,404, which is the sum of estimated lost revenues and the estimated reporting costs.

Implementation of the proposed emergency regulation will result in additional workload for the State Water Board and possibly for the Department of Water Resources. At present this work is accomplished through redirection of resources within existing agency budgets. However, the State Water Board anticipates the need for additional resources (up to one PY) to conduct activities related to the emergency regulation.

The above summary information is explained in greater detail in the State Water Board’s Emergency Regulations Digest, which is attached.