

Proposal for An Expanded Emergency Regulation to Achieve a 25 Percent Reduction in Potable Urban Water Use

May 5, 2015



Background

- Continued Extreme Drought Conditions
- Impacts to People and Nature
 - Unemployment and Loss of Business
 - Communities Without Water Supplies
 - Fish and Wildlife in Peril
 - Fires, Pests, and Disease
- Governor's April 1, 2015 Executive Order





Images from the Los Angeles Times



Statewide Drought Response

- Save Our Water campaign:
www.saveourwater.com
- Emergency Assistance to vulnerable communities
- 2014 Water Bond (Proposition 1)
- Water Rights Curtailment Actions
- Management of State and Federal water projects



Statewide Drought Response

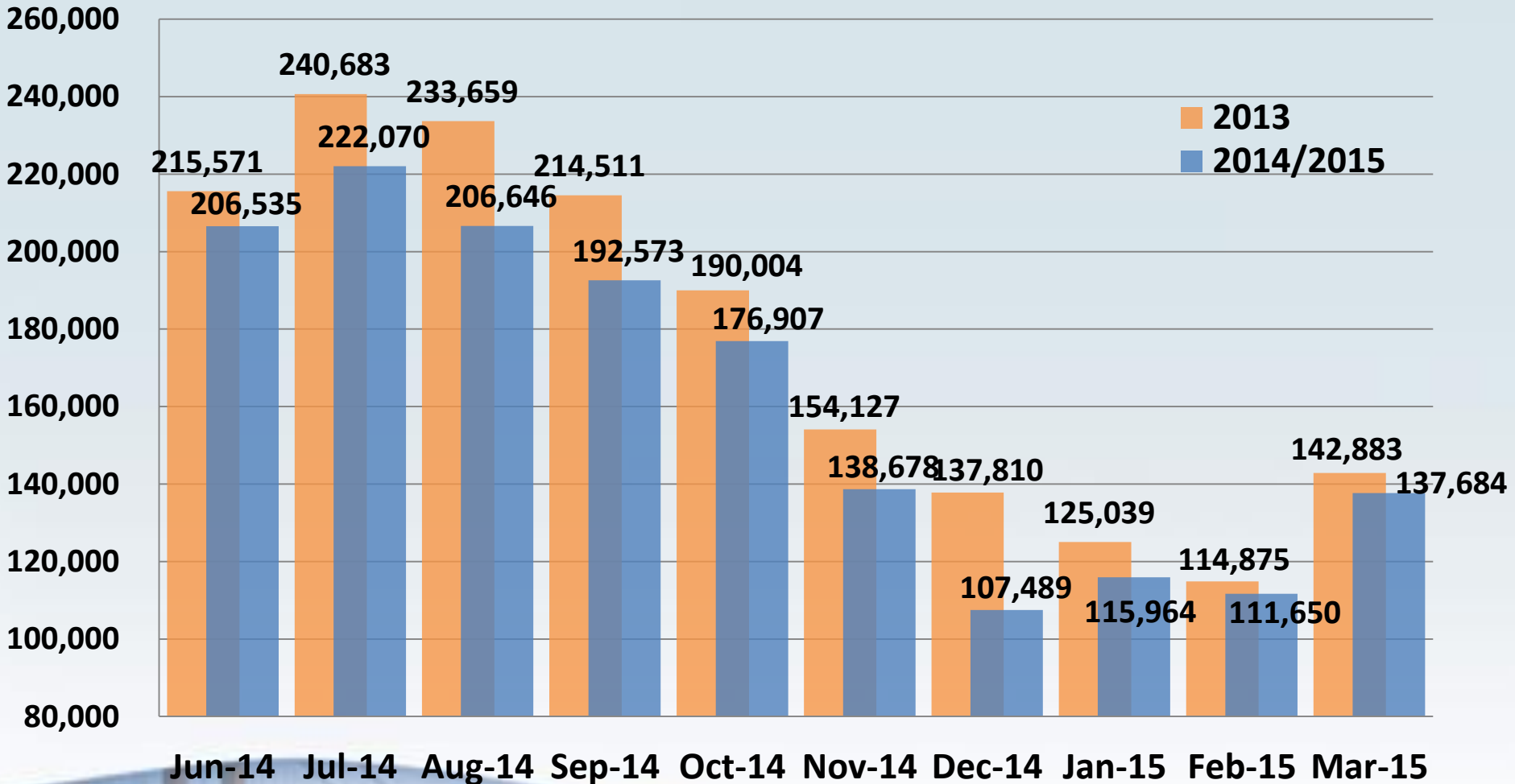
The Governor's Executive Order Creates New Programs:

- Turf Removal Program
(Department of Water Resources)
- Appliance Rebate Program
(Energy Commission)
- Water-Energy Technology Program
(Energy Commission)



Statewide Water Conservation Results

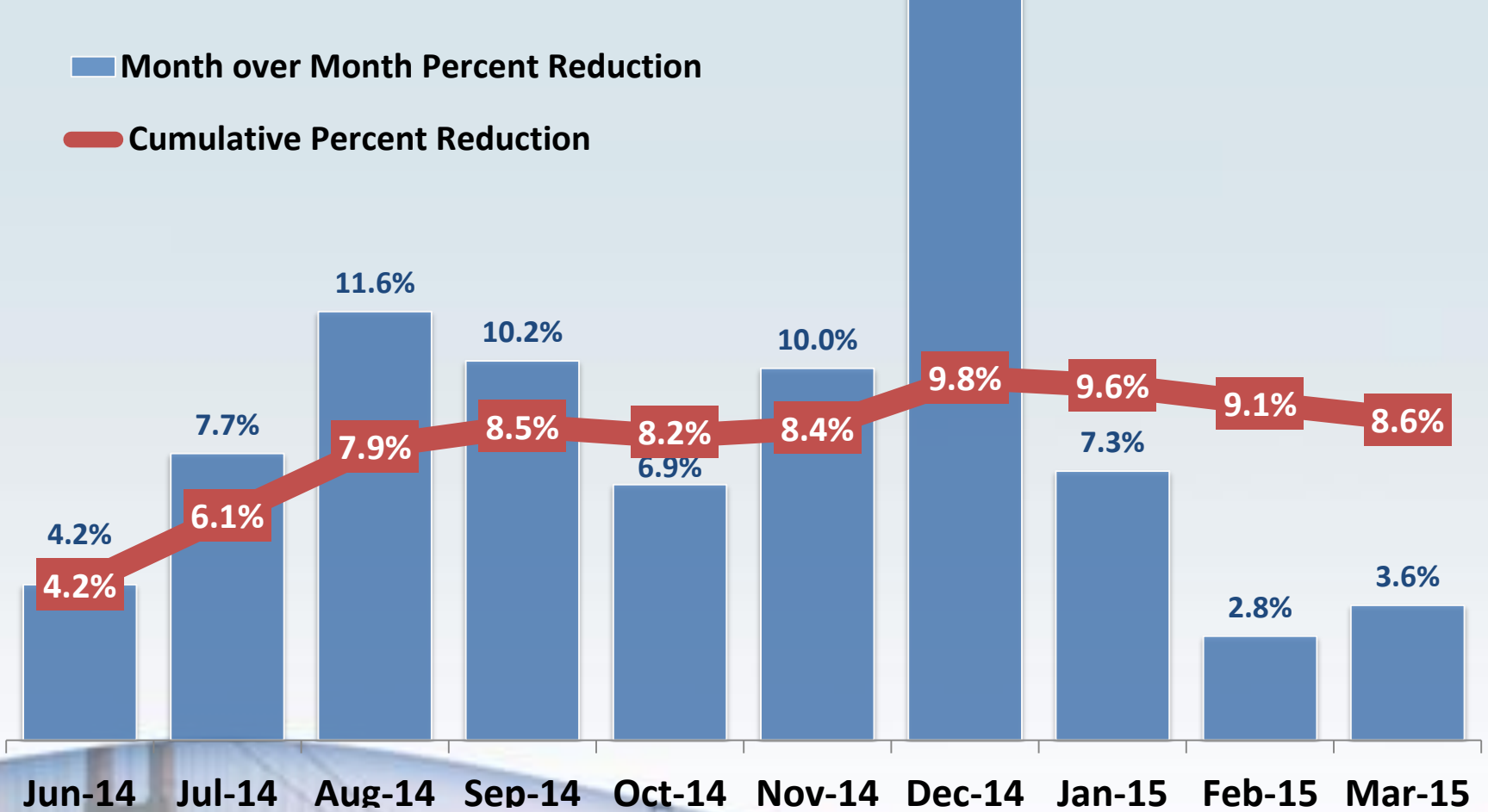
Water Production June 2014 - March 2015 (Million Gallons)



**Over 469 Thousand Acre-Feet Saved June 2014 – March 2015,
enough to provide 2.1 million Californians with water for 1 year**

Statewide Water Conservation Results

Water Production Percentage Reduction (Compared to 2013)



Classification of Water Suppliers

- > 3000 connections: 411 urban water retail suppliers
- 15 – 2,999 connections: 2674 water systems
- 16% of Californians are served by investor-owned water utilities regulated by the California Public Utilities Commission



Water Supplier Irrigation Restrictions and Enforcement Actions

- 126 water suppliers reported no restrictions on the numbers of days per week outdoor irrigation is allowed as of March 2015
- March 2015 was first month for mandatory reporting on water supplier enforcement actions
 - 290 out of 411 water suppliers provided data
 - Los Angeles Department of Water and Power received 1219 water waste complaints
 - Most water suppliers issued 20 or fewer notices for water waste



Executive Order Directives Included in the Proposed Emergency Regulation

- Directive 2 – 25% statewide reduction in potable urban water use (2013 baseline)
- Directive 5 – Water efficiency for commercial, industrial, and institutional properties
- Directive 6 – Prohibit using potable water to irrigate turf in street medians
- Directive 7 – Prohibit irrigation outside of new homes and buildings unless using drip or microspray systems



Water Rates and Pricing

(Executive Order Directive 8)

- Rates are an effective tool to increase conservation
- Water suppliers face financial management, public relations, and legal challenges when attempting to modify rates
- The Fourth District Court of Appeal's recent Decision in *Capistrano Taxpayer Association Inc. v. City of San Juan Capistrano* (G048969) does not foreclose the use of conservation-oriented rate structures



Emergency Regulation Development Process

- April 7 framework
- April 18 draft regulation
- April 28 full proposal

Public comment vetted at each step. Over 700 public comments received in total

- Many stakeholder meetings held
- Cross-agency consultation: CalFIRE, CPUC, DWR



Existing Emergency Prohibitions

- Application of water to hard surfaces for washing
- Watering of outdoor landscapes that cause runoff
- Using a hose without a shut-off nozzle to wash a car
- Using potable water in a fountain or decorative water feature, unless the water is recirculated.
- Irrigation of turf or ornamental landscapes during and 48 hours following measurable precipitation.

Health, safety and permit exceptions apply



Existing Emergency Prohibitions

- Restaurants may only serve water on request
- Hotels and Motels must give guests the option of not having towels and linens laundered daily and must display this option in each guestroom.



Existing Emergency Prohibitions

- Notification to customers about suspected leaks on customer premises
- Monthly reporting
 - Potable water production
 - R-GPCD
 - Enforcement actions
 - Days per week outdoor irrigation is permitted



Proposed Expanded Emergency Regulation

New Prohibited Uses of Potable Water

- Irrigation of turf in street medians
- Irrigation outside new homes and buildings unless done with drip or microspray system
 - Forthcoming emergency regulations from Building Standards Commission and Housing and Community Development Department

New Requirement for Self-Supplied Businesses and Institutions

- Reduce potable water use by 25 percent, or
- Limit outdoor irrigation with potable water to no more than two days/week



Proposed Expanded Emergency Regulation

New Requirements for Urban Water Suppliers

- Meet a Conservation Standard
 - Every urban water supplier must reduce potable water use between 8 and 36 percent per its conservation standard
 - Summer 2014 residential gallons per capita per day (R-GPCD) used to assign conservation standards
 - 2013 is the baseline year for measuring compliance
- Report on monthly use by commercial, institutional, and industrial customers



Proposed Expanded Emergency Regulation

Modified Conservation Standard

- Urban water suppliers may apply for a 4 percent conservation standard if they meet certain criteria:
 - No imported water
 - No reliance on groundwater
 - 4 or more years of supply available

Over 20 percent of supply for commercial agriculture

- Deduct commercial agriculture supply from total production
- Compliance with Agricultural Water Management Plan requirements
- Certification to the Board



Proposed Expanded Emergency Regulation

New Requirements for Small Water Suppliers

- Reduce water use by 25 percent, or limit outdoor irrigation to two days per week
- One-time reporting requirement on December 15, 2015



Comments Received

- Fairness of conservation standard
 - Consideration of climate, past conservation achievement, and water supply reliability investments
 - Summer R-GPCD to determine conservation standards
- Potential economic impacts
 - Urban water supplier fiscal stability
 - Disadvantaged communities
 - Commercial and industrial enterprises



Comments Received

- Reporting issues
 - Disaggregation of commercial, industrial, and institutional use
 - Prior R-GPCD submissions
 - Non-revenue water
 - Population growth
- Communities in fire prone areas
- Regional compliance concept
- Enforcement delay and alternate compliance



Comments Received

- Commercial agricultural water use exemption
- Credit for investments in drought resistant supplies
- Exemption for properties that meet public health and safety needs (hospitals and jails)



Response to Comments

- Policy goal of maximizing reduction in outdoor water use
- Many ideas were appropriate for a long-term conservation policy, but not a short-term emergency rule
- Timely and accurate data reporting is paramount
- Need for broad enforcement discretion



Response to Comments

- Implementation discretion with water suppliers
- Resolution language on situations that may require alternate compliance
- Need to maintain public health and safety

Workgroup to Consider Long-Term Approach



Enforcement and Compliance

- Compliance assessed monthly and cumulatively
- Enforcement tools include:
 - Information Orders
 - Conservation Orders
 - Cease and Desist Orders
- Water suppliers should be prepared to utilize all of their conservation tools



Economic Analysis

- Economic analysis conducted by M Cubed
 - Comparison with Australia's drought
 - Regulation as an insurance policy against continued drought conditions
 - Water supplier revenue losses
 - Consumer impacts
 - Sector-specific impacts



Post Adoption Timeline

- Office of Administrative Law action in 10 days
 - Regulation becomes effective upon OAL approval
- June 2015 is first month of conservation standard reporting
- Ongoing compliance Activities
- Small suppliers report on December 15, 2015



