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AMENDED IN SENATE JUNE 17, 2008
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CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2175

**Introduced by Assembly Members Laird and Feuer
(Coauthors: Assembly Members Huffman, Krekorian, Ruskin, and
Wolk)**

February 20, 2008

An act to amend Section 10631.5 of, and to add Part 2.55 (commencing with Section 10608) to Division 6 of, the Water Code, relating to water conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2175, as amended, Laird. Water conservation.

(1) Existing law requires the Department of Water Resources to convene an independent technical panel to provide information to the department and the Legislature on new demand management measures, technologies, and approaches. "Demand management measures" means those water conservation measures, programs, and incentives that prevent the waste of water and promote the reasonable and efficient use and reuse of available supplies.

This bill would require the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. The bill would require the state to reduce per capita use by at least 5% on or before December 31, 2012, and by 10% on or before December 31, 2015. By

December 31, 2020, each urban *retail* water supplier would be required to ~~reduce its per capita water use by 20%, except as provided. achieve a minimum reduction from the base daily per capita water use, as specified. The bill would also require each urban water supplier to achieve at least 25% of the targeted per capita reduction on or before December 31, 2012, and 50% on or before December 31, 2015.~~

The bill would require the department, by December 31, 2009, to establish a statewide numeric water conservation target for agricultural water use that provides for a significant increase in the efficiency of agricultural water use in California. By December 31, 2012, each agricultural water supplier would be required to adopt numeric water conservation targets to be achieved by December 31, 2015, and December 31, 2020.

The bill would require the department to ~~propose, adopt, and~~ submit to the Legislature a plan of action to meet the state targets described above under certain circumstances. By April 30, 2009, the department would be required to prepare a preliminary conservation report relating to water use reduction and conservation savings. By December 31, 2010, the department would be required to develop a methodology to estimate the numeric value of agricultural water use efficiency. The bill would make related legislative findings and declarations and statements of legislative intent.

(2) Existing law makes the terms of, and eligibility for, a water management grant or loan made to an urban water supplier and awarded or administered by the department, state board, or California Bay-Delta Authority or its successor agency conditioned on the implementation of specified water demand management measures.

This bill would make this provision only apply until December 31, 2012, and beginning January 1, 2013, would instead condition these grants or loans made to urban or agricultural water suppliers on the implementation of the requirements of paragraph (1), above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 2.55 (commencing with Section 10608) is
2 added to Division 6 of the Water Code, to read:

PART 2.55. WATER CONSERVATION

CHAPTER 1. GENERAL DECLARATIONS AND POLICY

10608. The Legislature finds and declares all of the following:
(a) Water is a public trust resource in California that should be protected resource that the California Constitution protects against waste and unreasonable use.

(b) Growing population, climate change, and the need to protect California’s fish and wildlife make it essential that the state manage its water resources as efficiently as possible.

(c) In 2000, total water use in California was approximately 83 million acre-feet per year, based on an average water year. This total water use consists of urban water use in the amount of 9 million acre-feet, agricultural water use in the amount of 34 million acre-feet, and environmental water use in the amount of 40 million acre-feet.

(d) Reduced water use through conservation provides significant energy and environmental benefits, can help protect water quality, and reduces greenhouse gas emissions.

(e) Improvements in technology and management practices offer the potential for increasing water conservation in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.

(f) The California Water Plan, updated in 2005, includes planning scenarios that indicate that by 2030 urban water conservation can reduce water demand by up to 3.1 million acre-feet per year and agricultural water conservation can reduce net water use by up to 800,000 acre-feet of water per year.

(g) The Governor has called for a 20 percent per capita reduction in urban water use statewide by 2020.

10608.1. It is the intent of the Legislature, by the enactment of this part, to require all water suppliers to identify, adopt, and implement water conservation measures to avoid waste and unreasonable use of this essential resource.

CHAPTER 2. DEFINITIONS

10608.2. The following definitions apply to this part:

1 (a) “Base daily per capita water use” means a daily per capita
2 water use during a representative year or an average of multiple
3 years from ~~2000~~ 2004 to 2008, inclusive, to reflect current normal
4 water use.

5 (b) “California standard” means a specified level of daily per
6 capita water use for urban retail water suppliers, based on the
7 Department of Water Resources’ most current map of Reference
8 EvapoTranspiration, and shall be:

9 (1) One hundred fifty gallons per capita daily (gpcd) water use
10 if the majority of the district residents are in Zones 1 to 5, inclusive.

11 (2) One hundred sixty gpcd water use if the majority of the
12 district residents are in Zones 6 to 10, inclusive.

13 (3) One hundred seventy gpcd water use if the majority of the
14 district residents are in Zones 11 or greater.

15 (c) (1) “Daily per capita water use” means the gross water use
16 in a calendar year divided by the average number of residents
17 during that year divided by 365 days per year.

18 (2) For purposes of paragraph (1), the average number of
19 residents during that year shall be determined using federal, state,
20 and regional population reports supplemented with local
21 information and trend-based extrapolations.

22 (d) “Gross water use” means the sum of all metered and
23 unmetered water deliveries by an urban retail water supplier during
24 a calendar year, excluding agricultural water deliveries and recycled
25 water.

26 (e) “Locally cost effective” means that the present value of the
27 local benefits of implementing a water conservation measure are
28 greater than or equal to the present value of the local costs of
29 implementing that measure.

30 (f) “Water conservation” means the efficient management of
31 water resources for beneficial uses, preventing waste, or
32 accomplishing additional benefits with the same amount of water.

33 (g) Except as otherwise indicated, “water supplier” includes
34 both of the following:

35 (1) An urban water supplier, as defined in Section 10617,
36 excluding suppliers that provide water exclusively on a wholesale
37 basis.

38 (2) An agricultural water supplier, either publicly or privately
39 owned, supplying 2,000 acre-feet or more of water annually for
40 agricultural purposes or serving 2,000 or more acres of agricultural

1 land. An agricultural water supplier includes a supplier or
2 contractor for water, regardless of the basis of right, which
3 distributes or sells water for ultimate resale to customers.

4 (h) “Recycled water use” means any beneficial use of recycled
5 water which helps meet a retail urban water supplier’s gross water
6 use, including groundwater recharge and injection.

7 (i) “Targeted percent reduction” means the percent reduction
8 in daily per capita water use required, pursuant to Section 10608.6,
9 for an urban water supplier.

10

11 CHAPTER 3. URBAN WATER CONSERVATION TARGETS

12

13 10608.4. (a) The state shall achieve a 20-percent reduction in
14 urban per capita water use in California on or before December
15 31, 2020.

16 (b) The state shall make incremental progress towards the state
17 target specified in subdivision (a) by reducing per capita water use
18 by at least 5 percent on or before December 31, 2012, and by 10
19 percent on or before December 31, 2015.

20 (c) If the state target described in subdivision (a) or the interim
21 targets described in subdivision (b) are not met, the department
22 shall ~~propose, adopt, and~~ submit to the Legislature a plan of action
23 to meet the statewide target. The plan shall specify the increased
24 levels of water conservation, including measures, programs, and
25 policies to be implemented at the state and local levels. The plans
26 shall be submitted on or before December 31, 2013, December
27 31, 2016, and December 31, 2021.

28 (d) Based on its review of the information submitted pursuant
29 to Section 10608.6, the department may require urban water
30 suppliers to adopt specific water conservation measures if the
31 reductions required by Section 10608.6 are not achieved.

32 ~~10608.6. (a) An urban retail water supplier may reduce the
33 percent reduction required in subdivision (d) by 5 percent if, by
34 January 1, 2009, the urban retail water supplier has implemented
35 the water demand management measures described in Section
36 10631. The department shall develop criteria, with public input,~~

37 *10608.6. (a) (1) On or before December 31, 2020, all urban
38 retail water suppliers shall achieve a minimum reduction from the
39 base daily per capita water use as follows:*

- 1 (A) If an urban retail water supplier's base daily per capita
 2 water use is less than or equal to 110 gallons per capita per day,
 3 the urban retail water supplier shall, at a minimum, maintain its
 4 base daily per capita water use.
- 5 (B) If an urban retail water supplier's base daily per capita
 6 water use is more than 110 gallons per capita per day, but is less
 7 than or equal to its California standard established pursuant to
 8 subdivision (b) of Section 10608.2, the urban retail water supplier
 9 shall, at a minimum, reduce its gallons per capita per day water
 10 use by 5 percent.
- 11 (C) If an urban retail water supplier's base daily per capita
 12 water use exceeds its California standard established pursuant to
 13 subdivision (b) of Section 10608.2 by less than 20 percent, and by
 14 January 1, 2009, the urban water supplier has implemented the
 15 water demand management measures described paragraph (2),
 16 the urban retail water supplier shall, at a minimum, reduce its
 17 gallons per capita per day water use by the greater of the
 18 following:
- 19 (i) Fifteen percent or the percent reduction necessary to reach
 20 the applicable California standard, whichever is less.
- 21 (ii) Five percent.
- 22 (D) If an urban retail water supplier's base daily per capita
 23 water use exceeds its California standard established pursuant to
 24 subdivision (b) of Section 10608.2 by less than 20 percent, and by
 25 January 1, 2009, the urban water supplier has not implemented
 26 the water demand management measures described in paragraph
 27 (2), the urban retail water supplier shall, at a minimum, reduce
 28 its gallons per capita per day water use by the greater of the
 29 following:
- 30 (i) The percent reduction necessary to reach the applicable
 31 California standard.
- 32 (ii) Five percent.
- 33 (E) If an urban retail water supplier's base daily per capita
 34 water use exceeds its California standard established pursuant to
 35 subdivision (b) of Section 10608.2 by 20 percent or more, and by
 36 January 1, 2009, the urban water supplier has implemented the
 37 water demand management measures described in paragraph (2),
 38 the urban retail water supplier shall, at a minimum, reduce its
 39 gallons per capita per day water use by 15 percent.

1 (F) If an urban retail water supplier's base daily per capita
 2 water use exceeds its California standard established pursuant to
 3 subdivision (b) of Section 10608.2 by 20 percent or more, and by
 4 January 1, 2009, the urban water supplier has not implemented
 5 the water demand management measures described in paragraph
 6 (2), the urban retail water supplier shall, at a minimum, reduce
 7 its gallons per capita per day water use by 20 percent.

8 (2) The department shall develop criteria, with public input, for
 9 certification of compliance with the following demand management
 10 measures:

- 11 (1)
- 12 (A) System water audits, leak detection and repair.
- 13 (2)
- 14 (B) Metering with commodity rates.
- 15 (3)
- 16 (C) Public information.
- 17 (4)
- 18 (D) School education programs.
- 19 (5)
- 20 (E) Conservation pricing.
- 21 (6)
- 22 (F) Conservation coordinator.
- 23 (7)
- 24 (G) Wastewater prohibition.

25 (b)

26 (3) In establishing the certification criteria for the demand
 27 management measures in ~~subdivision (a)~~ *paragraph (2)*, the
 28 department shall consider the best management practices described
 29 in the Memorandum of Understanding Regarding Urban Water
 30 Conservation in California as last amended in June 2007.

31 ~~(e) On or before December 31, 2020, all urban retail water~~
 32 ~~suppliers shall achieve a minimum reduction from the base daily~~
 33 ~~per capita water use of 5 percent, unless an urban supplier's water~~
 34 ~~use is at 110 gallons per capita per day or less.~~

35 ~~(d) On or before December 31, 2020, all urban retail water~~
 36 ~~suppliers with base daily per capita water use exceeding the~~
 37 ~~applicable California standard by 20 percent or more shall reduce~~
 38 ~~daily per capita water use by at least 20 percent.~~

39 ~~(e) On or before December 31, 2020, all urban retail water~~
 40 ~~suppliers with base daily per capita water use exceeding the~~

1 ~~applicable California standard by less than 20 percent shall reduce~~
2 ~~daily per capita water use to equal the applicable California~~
3 ~~standard or by 5 percent, whichever percentage is greater.~~

4 ~~(f)~~

5 (b) Each urban water supplier shall make incremental progress
6 by achieving at least 25 percent of the targeted per capita reduction
7 on or before December 31, 2012, and achieving 50 percent on or
8 before December 31, 2015.

9 ~~(g)~~

10 (c) An urban water supplier may report on the targeted percent
11 reduction either on an aggregated basis of daily per capita water
12 use that includes all water uses in a supplier's district, or by
13 disaggregating between residential per capita water use and
14 commercial, industrial, and institutional per connection water use.
15 The following requirements apply to an urban water supplier that
16 selects the option of disaggregating its water use:

17 (1) The urban water supplier shall use its aggregate water use
18 for purposes of determining the applicable California standard on
19 which to base its targeted per capita reduction for its residential
20 water use.

21 (2) The urban water supplier shall reduce its commercial,
22 industrial, and institutional per connection water use by no less
23 than 15 percent. An urban water supplier may reduce the percent
24 reduction required in this paragraph by 5 percent if, by January 1,
25 2009, the supplier has implemented conservation programs for
26 commercial, industrial, and institutional accounts pursuant to
27 Section 10631.

28 ~~(h)~~

29 (d) Upon written application to the department, an urban retail
30 water supplier may request adjustment to its targeted percent
31 reduction. The department shall develop criteria for the approval
32 of the following adjustments:

33 (1) Unique climatic conditions.

34 (2) Substantial changes to the commercial, industrial, and
35 institutional water use in the supplier's district.

36 (3) Unique conditions associated with an urban water supplier's
37 current water deliveries.

38 (4) Technical or economic infeasibility for commercial,
39 industrial, and institutional customers.

1 10608.8. (a) Urban water suppliers shall report to the
2 department and the state board on their incremental progress in
3 reaching the targeted percent reduction. Reports shall be submitted
4 on or before December 31, 2010, December 31, 2012, December
5 31, 2015, and December 31, 2020.

6 (b) Reports may be submitted as part of the urban water
7 management plans required pursuant to Section 10631.

8 (c) The reports shall be submitted using a standardized form
9 developed by the department and shall include the following
10 information:

- 11 (1) Baseline year or years.
- 12 (2) Baseline daily per capita water use.
- 13 (3) Targeted percent reduction.
- 14 (4) Acre-foot water savings attributed to the targeted percent
15 reduction.
- 16 (5) Current daily per capita water use.
- 17 (6) Current population served.
- 18 (7) Estimated 2020 population served by the urban water
19 supplier, as defined in subdivision (e) of Section 10602.
- 20 (8) Acre-foot water savings estimated for the current year and
21 for the year 2020 attributed to the targeted percent reductions.
- 22 (9) Acre-foot water savings estimated for the year 2020
23 attributed to the targeted percent reductions.

24 ~~10608.9.—State~~

25 *10608.9. (a) Urban water suppliers that provide water
26 exclusively on a wholesale basis shall do both of the following:*

- 27 *(1) Include in the urban water management plans required
28 pursuant to Part 2.6 (commencing with Section 10610) an
29 assessment of their present and proposed future measures,
30 programs, and policies to help achieve the water use reductions
31 required by this part.*
- 32 *(2) Provide technical assistance to their urban water suppliers
33 to help achieve the water use reductions required by this part.*

34 (b) State agencies shall reduce water use on facilities they own
35 or operate to support the local urban water supplier in meeting the
36 targeted percent reduction in daily per capita water use.

37
38 CHAPTER 4. AGRICULTURAL WATER CONSERVATION TARGETS
39

1 10608.10. (a) On or before December 31, 2009, the department
 2 shall establish a statewide numeric water conservation target for
 3 agricultural water use that provides for a significant increase in
 4 the efficiency of agricultural water use in California. The initial
 5 target shall be for December 31, 2020, and shall be not less than
 6 500,000 acre-feet of net water reduction from projected demand
 7 in the absence of additional agricultural water conservation
 8 practices, not otherwise attributed to land use changes.

9 (b) On or before December 31, 2012, each agricultural water
 10 supplier shall adopt numeric water conservation targets to be
 11 achieved by December 31, 2015, and December 31, 2020, and
 12 report to the department on those targets. An agricultural water
 13 supplier shall review and update the targets every five years
 14 thereafter. The target shall be based on reductions that can be
 15 achieved by water management practices that are both technically
 16 feasible and locally cost effective, or implementation of alternative
 17 measures that achieve equal or greater water savings.

18 (c) On or before December 31, 2015, and every five years
 19 thereafter, an agricultural water supplier shall submit a report to
 20 the department, confirmed by independent evaluation, that
 21 identifies the basis of its adopted water conservation targets and
 22 its progress in reaching the targets. If an agricultural water supplier
 23 determines that a water management practice is not locally cost
 24 effective or technically feasible, the supplier shall submit
 25 information documenting that determination.

26 (d) Agricultural water supplier reporting requirements may be
 27 met through the submission to the department of an agricultural
 28 water management plan developed for the Agricultural Water
 29 Management Council or the United States Bureau of Reclamation
 30 that is consistent with this part.

31 ~~10608.12. To the extent that the~~

32 *10608.12. (a) The department shall submit to the Legislature*
 33 *a plan of action to meet the statewide target established pursuant*
 34 *to subdivision (a) of Section 10608.10 if either of the following*
 35 *conditions are met:*

36 *(1) The aggregate of the agricultural water conservation targets*
 37 *established by agricultural water suppliers pursuant to subdivision*
 38 *(b) of Section 10608.10 do will not meet the statewide target*
 39 *established pursuant to subdivision (a) of Section 10608.10, the*

1 ~~department shall propose and adopt a plan of action to meet the~~
2 ~~statewide target. This 10608.10.~~

3 (2) *The aggregate of the agricultural water conservation targets*
4 *established by agricultural water suppliers pursuant to subdivision*
5 *(b) of Section 10608.10 are not met.*

6 (b) *This plan shall specify the increased levels of water*
7 *conservation, including measures, programs, and policies, that*
8 *need to be implemented at the state and local levels. This increased*
9 *level of conservation shall be supported by state funding or federal*
10 *funding, if provided, because of the broad public benefits.*

11 (c) *The plans shall be submitted on or before December 31,*
12 *2013, December 31, 2016, and December 31, 2021.*

13
14 CHAPTER 5. GENERAL CONSERVATION ACTIONS

15
16 10608.14. Water suppliers may comply with this part
17 individually or regionally.

18 10608.15. (a) On or before April 30, 2009, the department
19 shall prepare a preliminary conservation report that includes, but
20 is not limited to, all of the following:

21 (1) A proposed base year or base years for measurement of the
22 20-percent per capita reduction.

23 (2) An assessment of current urban per capita water use.

24 (3) An estimate of the water conservation savings from current
25 and future urban and agricultural conservation activities.

26 (b) Beginning with the year 2013, and every five years
27 thereafter, the department shall include in the update of the
28 California Water Plan, pursuant to Section 10004, ~~a~~ *both of the*
29 *following:*

30 (1) *A status report on the progress in meeting the conservation*
31 *targets established by this part.*

32 (2) *An evaluation of options to extend water use efficiency*
33 *planning and implementation to those who use self-supplied water.*

34 (c) On or before December 31, 2013, December 31, 2016, and
35 December 31, 2021, the department shall review and may increase
36 the targets for urban and agricultural water conservation, and shall
37 update the plans for achieving the conservation targets, based on
38 the consideration of all relevant information.

39 (d) Based on its review of the information provided in this part,
40 the department may require agricultural and urban water suppliers

1 to adopt additional water conservation or management practices
2 if there is insufficient progress in meeting the targets identified in
3 this part.

4 10608.16. (a) The department shall develop methodologies
5 and guidelines as necessary to implement this part.

6 (b) On or before December 31, 2010, in order to better quantify
7 agricultural water use efficiency, the department shall develop a
8 methodology to estimate the numeric value of agricultural water
9 use efficiency. The methodology shall include, but not be limited
10 to, the following information:

11 (1) Surface water diversion and farm delivery information
12 required pursuant to Section 5103.

13 (2) Evapotranspiration within a district boundary using best
14 available methods and technologies.

15 (3) Groundwater use from approved groundwater management
16 plans and other available sources.

17 (c) All state water conservation targets, methodologies, and
18 guidelines shall be established only after the department, or at the
19 department's request, the California Water Commission, conducts
20 a series of public hearings and workshops to allow participation
21 of the diverse geographical areas and interest of the state.

22 10608.17. Beginning January 1, 2013, the terms of, and
23 eligibility for, a water management grant or loan made to urban
24 or agricultural water suppliers and awarded or administered by the
25 department, state board, or California Bay-Delta Authority or its
26 successor agency shall be conditioned on the implementation of
27 this part.

28 10608.18. (a) The Legislature hereby finds and declares that
29 the development, adoption, and implementation of water
30 conservation targets as provided in this part is an issue of statewide
31 significance that is critical to the effective implementation of
32 integrated regional water management in California.

33 (b) It is the intent of the Legislature that funds made available
34 by Section 75026 of the Public Resources Code should be
35 expended, consistent with Division 43 (commencing with Section
36 75001) of the Public Resources Code and upon appropriation by
37 the Legislature, for grants to implement this part. In the allocation
38 of funding, it is the intent of the Legislature that the department
39 give consideration to disadvantaged communities to assist in
40 implementing the requirements of this part.

1 (c) It is the intent of the Legislature that funds made available
2 by Section 75041 of the Public Resources Code should be
3 expended, consistent with Division 43 (commencing with Section
4 75001) of the Public Resources Code and upon appropriation by
5 the Legislature, for direct expenditures to implement this part.

6 SEC. 2. Section 10631.5 of the Water Code is amended to read:

7 10631.5. (a) (1) Beginning January 1, 2009, until December
8 31, 2012, the terms of, and eligibility for, a water management
9 grant or loan made to an urban water supplier and awarded or
10 administered by the department, state board, or California
11 Bay-Delta Authority or its successor agency shall be conditioned
12 on the implementation of the water demand management measures
13 described in Section 10631, as determined by the department
14 pursuant to subdivision (b).

15 (2) For the purposes of this section, water management grants
16 and loans include funding for programs and projects for surface
17 water or groundwater storage, recycling, desalination, water
18 conservation, water supply reliability, and water supply
19 augmentation. This funding includes, but is not limited to, funds
20 made available pursuant to Section 75026 of the Public Resources
21 Code.

22 (3) Notwithstanding paragraph (1), the department shall
23 determine that an urban water supplier is eligible for a water
24 management grant or loan even though the supplier is not
25 implementing all of the water demand management measures
26 described in Section 10631, if the urban water supplier has
27 submitted to the department for approval a schedule, financing
28 plan, and budget, to be included in the grant or loan agreement,
29 for implementation of the water demand management measures.
30 The supplier may request grant or loan funds to implement the
31 water demand management measures to the extent the request is
32 consistent with the eligibility requirements applicable to the water
33 management funds.

34 (4) (A) Notwithstanding paragraph (1), the department shall
35 determine that an urban water supplier is eligible for a water
36 management grant or loan even though the supplier is not
37 implementing all of the water demand management measures
38 described in Section 10631, if an urban water supplier submits to
39 the department for approval documentation demonstrating that a
40 water demand management measure is not locally cost effective.

1 If the department determines that the documentation submitted by
2 the urban water supplier fails to demonstrate that a water demand
3 management measure is not locally cost effective, the department
4 shall notify the urban water supplier and the agency administering
5 the grant or loan program within 120 days that the documentation
6 does not satisfy the requirements for an exemption, and include
7 in that notification a detailed statement to support the
8 determination.

9 (B) For purposes of this paragraph, “not locally cost effective”
10 means that the present value of the local benefits of implementing
11 a water demand management measure is less than the present value
12 of the local costs of implementing that measure.

13 (b) (1) The department, in consultation with the state board and
14 the California Bay-Delta Authority or its successor agency, and
15 after soliciting public comment regarding eligibility requirements,
16 shall develop eligibility requirements to implement the requirement
17 of paragraph (1) of subdivision (a). In establishing these eligibility
18 requirements, the department shall do both of the following:

19 (A) Consider the conservation measures described in the
20 Memorandum of Understanding Regarding Urban Water
21 Conservation in California, and alternative conservation approaches
22 that provide equal or greater water savings.

23 (B) Recognize the different legal, technical, fiscal, and practical
24 roles and responsibilities of wholesale water suppliers and retail
25 water suppliers.

26 (2) (A) For the purposes of this section, the department shall
27 determine whether an urban water supplier is implementing all of
28 the water demand management measures described in Section
29 10631 based on either, or a combination, of the following:

30 (i) Compliance on an individual basis.

31 (ii) Compliance on a regional basis. Regional compliance shall
32 require participation in a regional conservation program consisting
33 of two or more urban water suppliers that achieves the level of
34 conservation or water efficiency savings equivalent to the amount
35 of conservation or savings achieved if each of the participating
36 urban water suppliers implemented the water demand management
37 measures. Urban water suppliers may also request a regional
38 agency authorized to plan and implement water conservation to
39 assist in or administer regional water conservation programs. The
40 urban water supplier or regional agency administering the regional

1 program shall provide participating urban water suppliers and the
2 department with data to demonstrate that the regional program is
3 consistent with this clause. The department shall review the data
4 to determine whether the urban water suppliers in the regional
5 program are meeting the eligibility requirements.

6 (B) The department may require additional information for any
7 determination pursuant to this section.

8 (3) The department shall not deny eligibility to an urban water
9 supplier in compliance with the requirements of this section that
10 is participating in a multiagency water project, or an integrated
11 regional water management plan, developed pursuant to Section
12 75026 of the Public Resources Code, solely on the basis that one
13 or more of the agencies participating in the project or plan is not
14 implementing all of the water demand management measures
15 described in Section 10631.

16 (c) In establishing guidelines pursuant to the specific funding
17 authorization for any water management grant or loan program
18 subject to this section, the agency administering the grant or loan
19 program shall include in the guidelines the eligibility requirements
20 developed by the department pursuant to subdivision (b).

21 (d) Upon receipt of a water management grant or loan
22 application by an agency administering a grant and loan program
23 subject to this section, the agency shall request an eligibility
24 determination from the department with respect to the requirements
25 of this section. The department shall respond to the request within
26 60 days of the request.

27 (e) The urban water supplier may submit to the department
28 copies of its annual reports and other relevant documents to assist
29 the department in determining whether the urban water supplier
30 is implementing or scheduling the implementation of water demand
31 management activities. In addition, for urban water suppliers that
32 are signatories to the Memorandum of Understanding Regarding
33 Urban Water Conservation in California and submit biennial reports
34 to the California Urban Water Conservation Council in accordance
35 with the memorandum, the department may use these reports to
36 assist in tracking the implementation of water demand management
37 measures.

- 1
- 2 **CORRECTIONS:**
- 3 **Text—Pages 7 and 9.**
- 4

O