

**Legislative Update on Implementation
of the Governor's Framework
*“Making Water Conservation a
California Way of Life”***

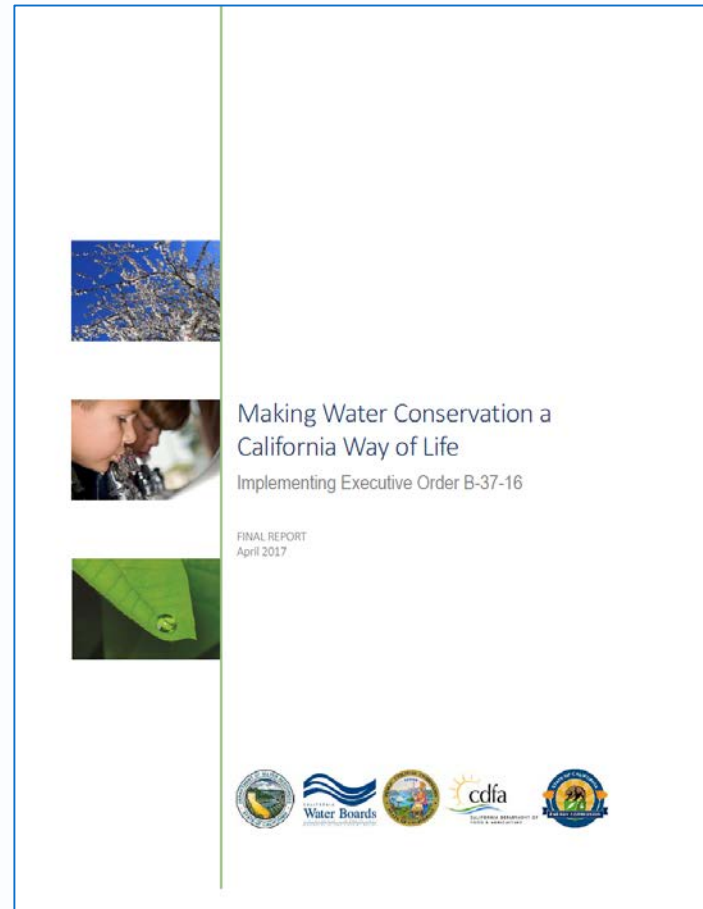
San Diego Conservation Action Committee
June 29, 2017

Presentation by:
Dana Frieauf, Water Resources Manager

April 7, 2017 Final Framework

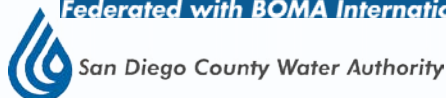
Making Conservation A California Way of Life

- Focus on two areas for urban water agencies:
 - New water use targets
 - Strengthen water shortage contingency planning
- Far-reaching impacts on local decision-making and how much water residents and businesses can use in the future
- Implementation will be through legislation and regulatory rulemaking



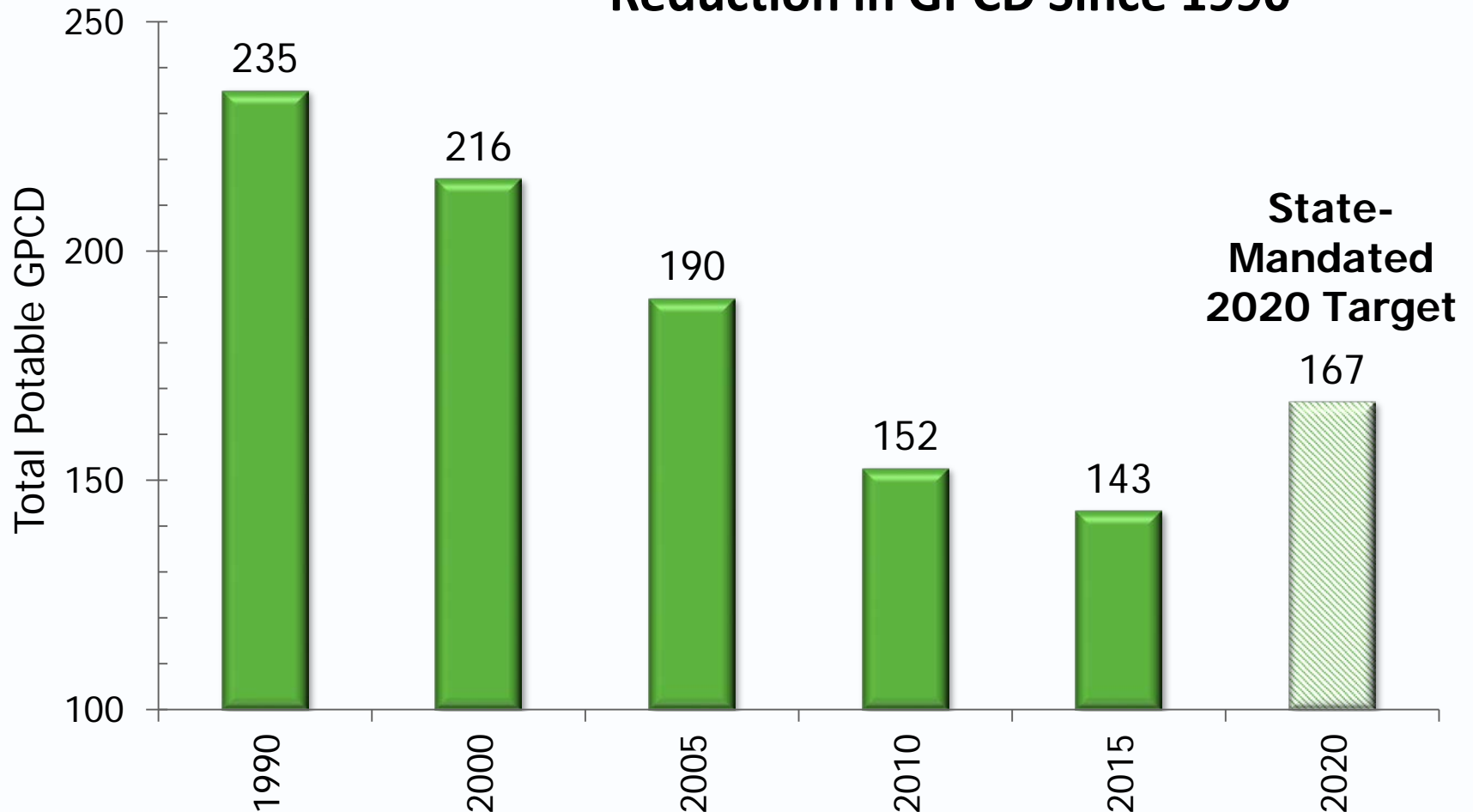
Collaboration with Stakeholders

- Work closely with water agencies statewide to develop proposed legislative language
- Continue coordination with member agencies and agencies statewide to forward legislative priorities
- Active outreach and education effort with local stakeholders



“Making Water Conservation a Way of Life”

**San Diego Region has seen 40%
Reduction in GPCD Since 1990**



New Water Use Targets

Legislative Priorities

- The setting and modifying of targets must be through stakeholder process with legislative approval
 - State agencies cannot have unilaterally authority
- Recycled water is an efficient use of water and should be incentivized
- Commercial, industrial and institutional (CII) performance measure cannot negatively impact economy
 - Form workgroup of experts to develop performance measures



New Water Use Targets

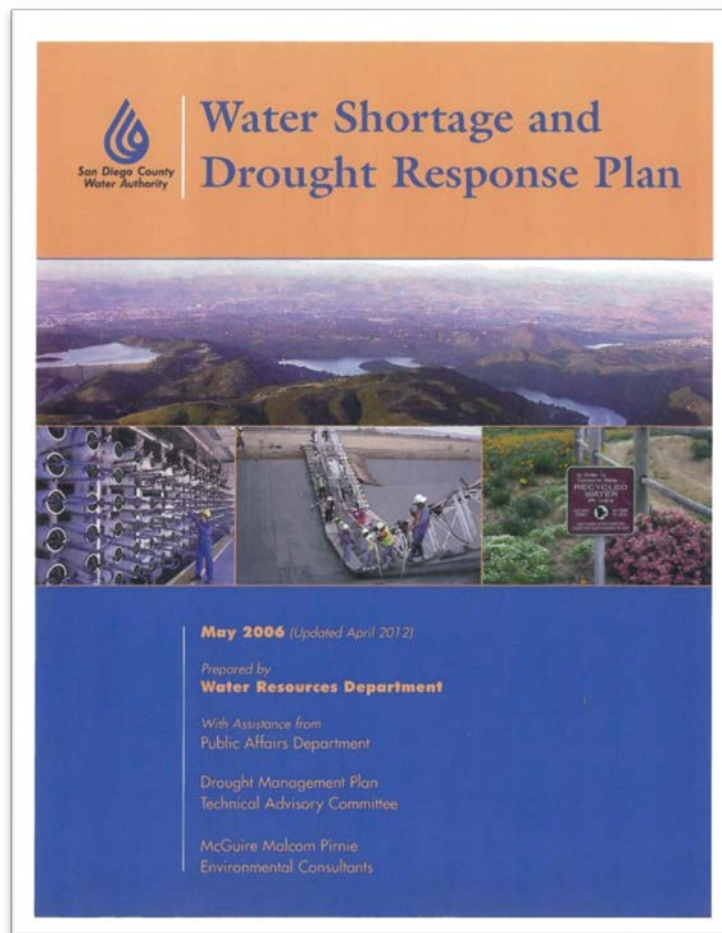
Legislative Priorities (cont.)

- Provide one or more alternative target setting methodologies
 - Establishing budget-based target method for every agency statewide may not be technically feasible
- Ensure water rights and contracts are protected
 - Suppliers have ability to store/transfer conserved water

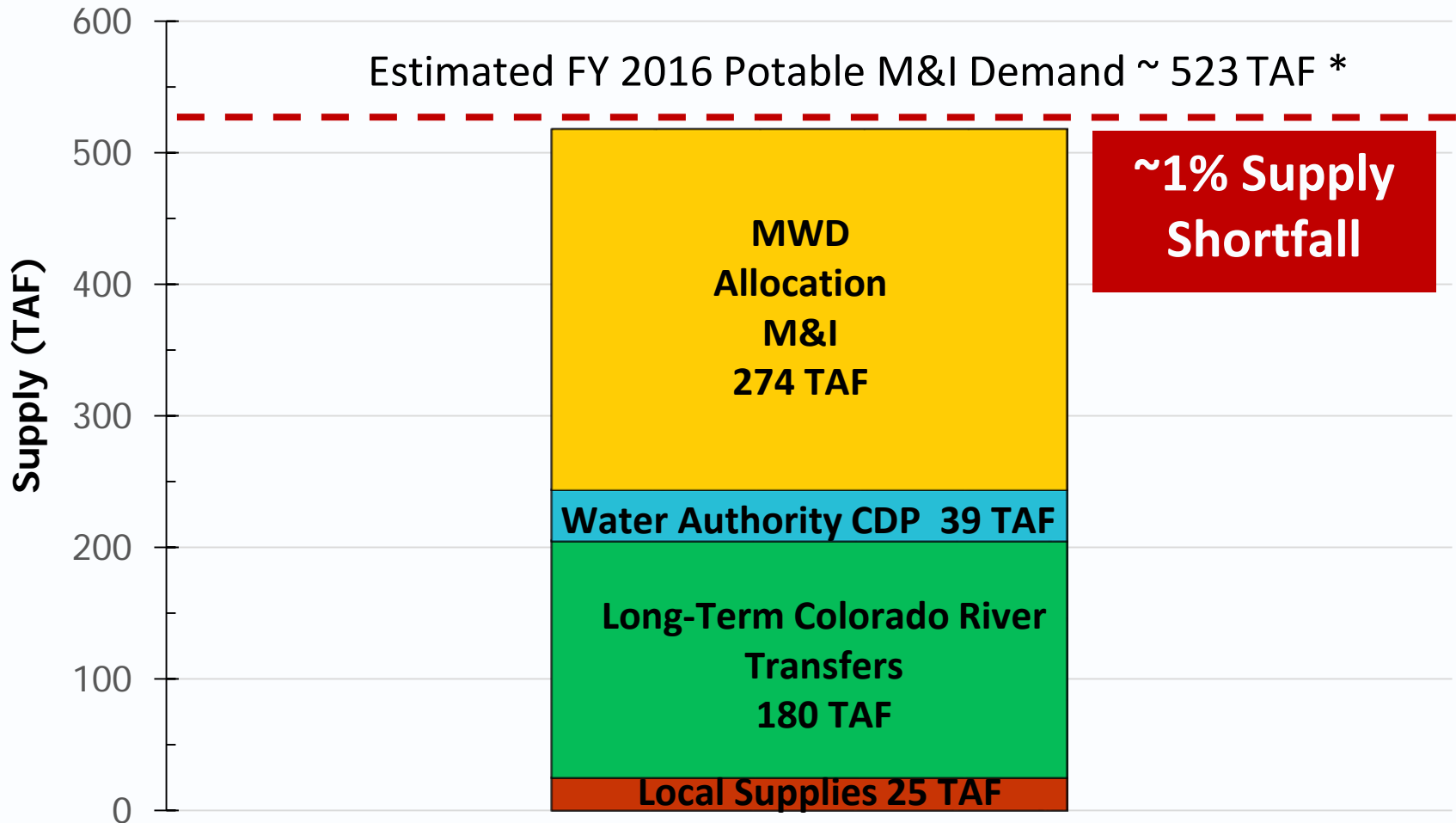


Water Authority's Water Shortage and Drought Response Plan

- Regional actions taken to lessen severity of shortage conditions
- Provides for an orderly, progressive approach to managing shortages
- Currently updating
 - Originally adopted in 2006
 - Update consistent with Framework



San Diego Region was not Experiencing Shortages Even With 15% Cutback from Metropolitan Water District



***Does not take into account state mandated reduction**
Based on actual FY 2014, escalated at 1/2% per year

Strengthen Shortage Contingency Planning

Legislative Priorities

- Provide suppliers flexibility to develop plan details based on local circumstances
- Account for all available supplies in shortage analysis
- Ensure state cannot mandate water use reductions that conflict with local supply conditions



Water Use Efficiency Legislation

Budget Trailer Bill #1

AB 641 (Harper)

AB 869 (Rubio)

AB 968 (Rubio)

AB 723 (Arambula)

AB 1041 (Levine)

AB 1668 (Friedman)

AB 1000 (Friedman)

AB 1273 (Gallagher)

AB 1323 (Weber)

AB 1667 (Friedman)

AB 1669 (Friedman)

AB 1271 (Gallagher)

AB 1654 (Rubio)

Budget Trailer Bill #2

Water Use Efficiency Legislation

BILL	SYNOPSIS	WA POSITION	STATUS
AB 869 (Rubio)	Recycled water exclusion	Support	Senate Natural Resources/Water
AB 1323 (Weber)	DWR stakeholder workgroup	Sponsor	Senate Natural Resources/Water
AB 1654 (Rubio)	Water shortage contingency plans	Support/Co-Sponsor	Senate Natural Resources/Water
AB 1667 (Friedman)	Ag water management plans	Oppose Unless Amended	Senate Natural Resources/Water
AB 1668 (Friedman)	Water shortage contingency plans	Oppose Unless Amended	Senate Natural Resources/Water
RN 17-09926	Water shortage contingency plan	Oppose Unless Amended	Budget process
RN 17-12268	Long-term WUE standards	Oppose	Budget process

Assembly Water Conservation Working Group

- Status of activities
 - Six meetings to-date
 - Staffed by Speaker's Office and WPW Committee Consultants
 - Preliminary intent to work through Summer
- Progress
 - Draft long-term water use principles developed
 - Reached-out to Senate
 - Continue to meet – all bills are presently in Senate
 - Scheduled for July 11 hearing



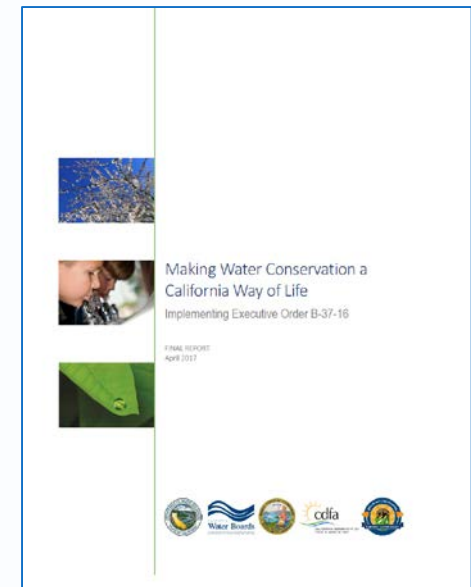
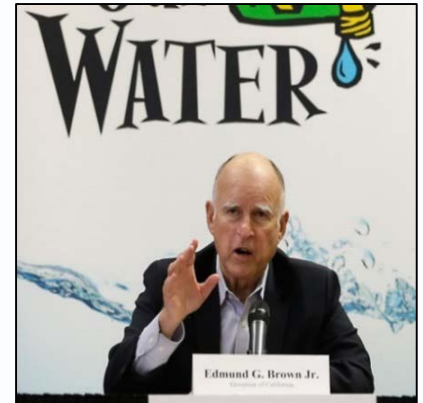
Governor's Budget Trailer Bills

- Governor's office has met with stakeholders
 - Parallel activity to Assembly working group
 - Involves water, environmental, and business community stakeholders – DWR and SWRCB well represented
 - Allowing policy bill process to proceed for now
 - Retain opportunity to advance budget trailer bills



June 20, 2017 Administration Draft Legislation

- Revises April 2017 Budget Trailer Bill
- Represents state administration work on ensuring consistency with framework and incorporating comments received
- Improvement from April 2017 Budget Trailer Bill
 - Still does not fully address legislative priorities
- Administration supports moving language through legislative process



Administrative Draft Legislation: *Summary Analysis Based on Legislative Priorities*

Priority	Addressed?
Recycled Water Credit	<p>Partially.</p> <ul style="list-style-type: none">• Potable reuse credit up to only ten percent of supplier's water use target.• Non-potable recycling given special landscape allowance as set forth in Model Water Efficient Landscape Ordinance
Form workgroup to identify CII performance measures	<p>Partially.</p> <ul style="list-style-type: none">• Requires broad stakeholder input into developing recommended performance measures• Recommendations must support economic productivity of CII sector• Still includes required performance measures, such as, separate irrigation meters for existing landscapes

Administrative Draft Legislation:

Summary Analysis Based on Legislative Priorities

Priority	Addressed?
Setting use standards must be through stakeholder process with legislative approval.	Partially. The revisions do allow for stakeholder input, but no legislative oversight
Ensure protection of water rights and contracts	Partially. Included in legislative intent but not in statute.
Provide alternative target setting methodologies	No. Consistent with Framework. Only budget based method.
Ensure future emergency regulation mandates factor in local supply availability (similar to "stress test")	No.

Water Use Efficiency Legislation

- Upcoming milestones in legislative process
 - Deadline for bills to pass second House policy committee and beginning of Summer recess – July 21
 - Return from Summer recess – August 21
 - Last day of 2017 legislative session – September 15

Water Use Efficiency Legislation

- What is the Water Authority doing?
 - Trying to stay balanced between and within each of the parallel processes underway
 - Conventional legislative process – bills in Senate policy committees
 - Assembly conservation working group
 - Administration’s budget trailer bill process
- Engaged with other water agency stakeholders
- Water Authority approach analogous to effort during water bond debate in 2013-14
 - Attempt to get San Diego region protections and interests addressed in ANY vehicle that moves forward

Conventional legislative process

Assembly conservation working group

Administration budget trailer bills

Supporting Balanced Regulations

- ▶ The Water Authority supports regulations that balance demand management and supply development to minimize unintended consequences.
- ▶ Efficiency alone will not create a resilient water supply that alleviates severe shortages.
- Water Authority has invested in efficiency & reliability efforts for decades.
- Major investments in supplies, storage, conveyance.



San Vicente Dam