



October 17, 2023

Comments transmitted via:
commentletters@waterboards.ca.gov

Ms. Courtney Tyler, Clerk to the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

RE: Comment Letter – Proposed Making Conservation a California Way of Life Regulation

Dear Chair Esquivel, Board Members, and Staff,

The League of California Cities (Cal Cities) appreciates the opportunity to provide written comments to the State Water Resources Control Board (State Water Board) on the Proposed Making Conservation a California Way of Life Regulation (Proposed Regulations). Cal Cities represents over 476 cities statewide, of which the residents, businesses, and other customers of our cities will be affected by the Proposed Regulations. Of the approximately 400 urban water suppliers in California, Cal Cities represents nearly all 200 cities that serve as urban water suppliers, roughly 50 percent of the suppliers that will need to comply with the Proposed Regulations.

Cal Cities has long-supported water conservation goals statewide that are developed with fair and equitable implementation measures, recognizing and anticipating the need to save water based on the effects of our changing climate. Cities and local agencies have implemented successful water conservation and efficiency programs over the past several decades as drought conditions have increased. Cal Cities believes that all water users, including residential, commercial, industrial, and agricultural users, must continue to take actions towards water use efficiency. While greater water use efficiency should be pursued, there must also continue to be a balance and promotion of community health, economic vitality, and environmental sustainability. Water conservation should also be contextualized as one part of the comprehensive water solution portfolio that local jurisdictions and regional entities are already planning for and investing in. Our comments below reflect these principles.

Cal Cities respectfully recommends the following changes to the Proposed Regulations, which will help ensure that the overall local implementation efforts by cities, urban water suppliers, and their customers will effectuate and achieve the state's goals of annually conserving 500,000 acre-feet of water by 2030, according to the Administration's Water Supply Strategy¹. Cal Cities requests an opportunity to engage with the State Water Board Members and staff in the coming months to discuss our suggested revisions to help advance the Proposed Regulations.

¹ [Water Supply Strategy: Adapting to a Hotter, Drier Future](#) (page 6 of 19, August 2022)

1) Provide greater flexibility for cities and urban water suppliers to meet the overall Urban Water Use Objective, while simultaneously focusing on and making progress towards water savings.

Based on the intent of the directive legislation², flexibility is foundational for cities and urban water suppliers in managing their water supply portfolio and meeting their water use targets, including the design and implementation of water efficiency programs, working with customers, and enforcing local rules.³ Cal Cities believes there are several additional provisions that should be incorporated into the Proposed Regulations to provide greater flexibility to cities and urban water suppliers that will allow progress towards water savings and the Urban Water Use Objective. Such flexibility is intended to allow for cities and urban water suppliers to work with their communities and residents to implement programs that are attainable in changing water use and to avoid abrupt methods to conserve water. Abrupt and poorly designed water efficiency approaches could lead to unintended consequences such as lack of shade, poor air quality, heat-island effect, and blighted communities.

1a) Uphold the legislative intent to incorporate the principles of the model water efficient landscape ordinance (MWELo) for both new and existing landscapes⁴.

The DWR MWELo recommendations were vetted through a robust public process and published in their technical memorandum⁵ to the State Water Board. MWELo is intended to provide a model landscape ordinance that is designed for well-adapted sites and particular climatic, soil, or topographic conditions. These design features do not incorporate the installation, maintenance, and true performance of such water efficient uses, which require a human element of managing landscapes. The legislative intent specifies that the principles of MWELo be incorporated for both new and existing landscapes, not to impose the lowest water use standards as possible. Currently the Proposed Regulations go beyond the DWR MWELo recommendations of incorporating the publicly vetted landscape efficiency factors (LEFs) into the standards. Therefore, the outdoor LEFs in the Proposed Regulations should be revised to be consistent with the DWR recommendations, going no further than 0.63 for the existing residential and existing commercial, industrial, and institutional uses with dedicated irrigation meters (CII-DIM) outdoor standards. The LEFs for new residential and new CII-DIM outdoor standards should also remain consistent with DWR's recommendation.

1b) Establish a system to track statewide and regional water savings to serve as a backstop before enforcement of individual Urban Water Use Objectives.

To maintain focus on the Administration's overall goal of conserving 500,000 acre-feet of water annually by 2030, a system to track water savings statewide and by Hydrologic Region should be established and incorporated into the Proposed Regulations. The volumetric water savings by Hydrologic Region should be used to incentivize regional or wholesale water efficiency and water recycling programs. Further, focusing on the regional volumetric water savings provides locals with opportunities to invest in regional programs supported by a broader economic base, reducing affordability challenges for smaller cities and urban water suppliers.

² [Senate Bill 606](#) (Chapter 14, Statutes of 2018) and [Assembly Bill 1668](#) (Chapter 15, Statutes of 2018)

³ California Water Code Section [10609\(c\)\(1\)](#)

⁴ California Government Code commencing with Section [65591](#)

⁵ September 29, 2022 DWR Recommendation [Memorandum](#)



If good-faith progress is being made by the cities and urban water suppliers in each Hydrologic Region to reach water savings, consistent with the Administration's overall water conservation goals, the State Water Board should use the volumetric water savings measurement as a backstop in the Proposed Regulations to allow the urban water suppliers in that region to continue progressing with their Urban Water Use Objectives without issuing any conservation orders or fines as enforcement measures. Cities and urban water suppliers would be expected to continue to implement water efficiency programs and calculate and report their Urban Water Use Objective, but the intent would be to provide flexibility for local implementation at the Hydrologic Region scale to continue with a focus on the overall goal of water savings that is occurring.

1c) Revise the variances and temporary provisions to address community public health concerns.

The variances included in the Proposed Regulations are intended to be incorporated for the purpose of a unique use that has a material effect on the city or urban water supplier's overall Urban Water Use Objective. Critical public health uses of water should be incorporated into the variances for residential outdoor and CII-DIM outdoor standards. One example provided during the Public Workshop on October 4, 2023 is valley fever, which is a deadly illness caused by a fungus found in the soil in many parts of California, especially the Central Valley and Central Coast. According to the Department of Public Health, the management technique to keep fungal spores from spreading is to water outdoor landscapes. This is consistent with the directive legislation of including variances for dust control purposes⁶ and should be reflected in the Proposed Regulations. If other public health concerns arise that need to be included as a variance to protect community health, a process should be established to request for such a variance. Similarly, we are appreciative that the Proposed Regulations acknowledge the need to address wastewater, which can also be a public health concern. The Proposed Regulations should be revised to remove the temporary nature of the provision related to negative impacts related to wastewater concerns, as wastewater issues may increase as the residential indoor water use standard lowers over time.

1d) Revise the bonus incentives to support water conservation as part of local and regional comprehensive water portfolio efforts that support economic vitality and environmental sustainability.

The Proposed Regulations specifically focus on the calculations associated with each standard that comprise the overall Urban Water Use Objective. As defined in the directive legislation⁷, the Urban Water Use Objective includes both the standards and local service area characteristics for that year. In addition to working towards the standards of the Urban Water Use Objective, a bonus incentive should be included based on if cities and urban water suppliers are also making advancements to conserve and store water. This bonus incentive would support the need to conserve and store water for future dry or drought years and to support economic and environmental needs. This bonus incentive should provide up to 10 percent, based on approval by the State Water Board. Examples of such conservation and water storage efforts that are part of broader regional comprehensive water portfolios, include groundwater recharge efforts, regional or wholesale recycled water or desalination investments, regional storage or storage expansion projects, releasing water for instream environmental flows, and participating in a groundwater allocation program, compliant with the Sustainable Groundwater

⁶ California Water Code Section [10609.14\(b\)\(5\)](#)

⁷ California Water Code Section [10608.12\(u\)](#)



Management Act. Additionally, housing is a growing demand on city urban water suppliers. New residential outdoor standards are lower than existing residential outdoor landscapes and an additional bonus incentive of up to 10 percent should be provided for meeting local and statewide housing goals, based on reporting and approval by the State Water Board. This would encourage the meeting of housing demand while implementing lower water use efficiency standards across those new homes.

2) Uphold the legislative intent of the overall timeline by revising the Proposed Regulations to provide adequate time for cities and urban water suppliers to begin local implementation.

The timelines identified in the legislation should provide direction for how the Proposed Regulations should reflect an adequate timeline to support local implementation. While the timeline of the regulatory process has been delayed due to circumstances outside of the State Water Board's control, the directive legislation identifies a series of dates when specific actions may occur, based on the State Water Board's discretion. The State Water Board should follow this legislative intent but shift the timeline accordingly (based on where the rulemaking is currently at) to provide adequate time for local implementation to begin. For example, a series of enforcement actions each spaced one year apart were included in the legislation so as to allow for local action to begin and to increase enforcement measures over time. The following revisions should be reflected in the Proposed Regulations to uphold the legislative timeline that was intended.

2a) Remove compliance requirement by January 1, 2025 from the Proposed Regulations.

The Proposed Regulations currently state that cities and urban water suppliers must calculate and comply with their Urban Water Use Objective by January 1, 2025⁸. State Water Board staff presented during the October 4, 2023 Public Workshop that the final rulemaking and Regulations will be completed by October 2024. This leaves only two months for cities and urban water suppliers to "comply" with their Urban Water Use Objective. This deadline for compliance was not identified in the directive legislation and further truncates cities and urban water suppliers abilities to develop high-quality, local water use efficiency programs, communication approaches with customers and educational materials, administrative systems, and local fees or rates, staffing, and resources to carry out successful water use efficiency efforts.

2b) Revise the enforcement timeline in the Proposed Regulations based on the legislative intent.

The timelines in the Proposed Regulations should be adjusted so as to ensure cities and urban water suppliers have sufficient time to begin implementation efforts as they work towards the overall Urban Water Use Objective. The directive legislation includes a series of actions in which the State Water Board can intervene through informational orders, notices, and conservation orders. The legislation identified that these actions may be pursued on the following corresponding timeline: November 1, 2023, November 1, 2024, and November 1, 2025⁹. Further, as identified in the legislation, a violation of the regulations can only occur if after November 1, 2027¹⁰.

Given the delays in this rulemaking process thus far and the directive legislation providing the State Water Board flexibility as to when they intervene with enforcement measures, shifting the timeline in

⁸ Proposed Regulation Section [966\(a\)](#)

⁹ California Water Code Section [10609.26](#)

¹⁰ California Water Code Section [1846.5\(b\)\(2\)](#)

the Proposed Regulations, consistent with the legislative intent, will result in more successful water conservation efforts. Based on the legislative intent, following timeline should be incorporated into the Proposed Regulations:

- Informational Orders: after June 1, 2026
- Written Notice of Not Meeting the Urban Water Use Objective: after June 1, 2027
- Conservation Orders: after June 1, 2028

2c) Revise the timelines for the CII Best Management Practices (BMP) by five additional years to allow for local implementation to progress on the other standards of the overall Urban Water Use Objective.

Since the Urban Water Use Objective will require significant efforts by cities and urban water suppliers to implement programs related to residential indoor, residential outdoor, and CII-DIM outdoor, the CII BMP timeline should be shifted by five years to allow for local implementation to dedicate initial local resources on carrying out implementation programs where water savings will be prioritized in the first five years of the overall regulatory timeline. Currently, the Proposed Regulations should be revised to reflect a shift in timeline by five years, since the BMPs will not result in specific water savings that contribute to the calculations of the overall Urban Water Use Objective.

2d) Remove the timeline associated with the Irrigable Not Irrigated Areas.

As defined in the Proposed Regulations, Irrigable Not Irrigated (INI) areas are residential area that are not currently being irrigated, but were irrigated in the past, or may be managed with irrigation in the future. In DWR's recommendations¹¹ to the State Water Board, 20 percent of INI areas should be included in the outdoor residential standard. In the DWR recommendations there was no timeline associated with how long the INI areas should be included and therefore this should be consistent and removed from the Proposed Regulations. These landscape areas were measured by DWR during the drought and greater commitment to updating this data every two years will support the sound management of and water use efficiency on INI areas. If the Proposed Regulations continue to include the 2027 deadline for applying the 20 percent buffer to INI areas, it would completely eliminate the opportunity for these areas to be managed with irrigation future, which could lead to abandoned and blighted landscapes.

3) Address affordability concerns to ensure the Urban Water Use Objectives are feasible and achievable.

As recognized in the Administration's Water Supply Strategy, water conservation is just one action, in a suite of actions, that will make our communities more water resilient. Local agencies are making significant investments across a portfolio of solutions to ensure a safe and reliable water supply for their communities. Cities and urban water suppliers' costs are increasing, since they are also managing the costs of ongoing operation and maintenance, water quality treatment of emerging and new constituents, and new water infrastructure projects to ensure water supply reliability. The State Water Board has published a Standardized Regulatory Impact Assessment (SRIA) identifying the cost and benefits of the Proposed Regulations; however, the benefits are overestimated, and the cost of local

¹¹ September 29, 2022 DWR Recommendation [Memorandum](#) (Page 3)



implementation are underestimated. For example, as stated on Page 32 of the SRIA¹², the Assessment identifies that the costs associated with categorizing CII customers or with complying with the CII standard was not estimated for several reasons, including data gaps.

Additionally, for cities and urban water suppliers, water conservation implementation costs will escalate over time, since changing customer behavior will take greater resources to reach those that are not early adopters of water efficient practices. For example, rebate programs will be successful with early adopter customers who are conscious of the need to save water; however, over time direct install programs will need to be deployed which are estimated in some regions to be four times the cost. This will translate to less water available at higher and increasing costs. Inherently, the affordability of water for communities and ratepayers is going to increase over time, which will disproportionately impact low-income customers and disadvantaged communities. These cost implications need to be addressed in the Proposed Regulations and we recommend the following revisions.

3a) Establish a technical, managerial, and financial assistance program to support local implementation, prioritizing assistance for cities and urban water suppliers that will have significant challenges with affordability impacts.

The State Water Board has a successful and established model for providing technical, managerial, and financial (TMF) assistance through its Safe and Affordable Funding for Equity and Resilience (SAFER) Program. A similar TMF program should be established, in coordination with DWR, and regional technical assistance providers should be made available to support the next decade worth of work towards water efficiency, as required in the Proposed Regulations. TMF should be prioritized for cities and urban water suppliers that meet the DAC criteria or those suppliers that have an overall water reduction target greater than 20 percent, who will likely be the most challenged by increasing costs of water affordability.

3b) Include an alternative pathway in the Proposed Regulations to address where affordability impacts are anticipated to prevent overall success.

Currently the Proposed Regulations contain a provision that would allow an urban water supplier who meets the DAC criteria to receive a time extension with the standards that comprise the Urban Water Use Objective. While it is beneficial to have more time to comply, the overall cost of meeting all of the provisions of the Proposed Regulation would still present a significant challenge to meet for cities and urban water suppliers that are DAC or have a 20 percent or more water reduction target. To better address affordability concerns from DACs or urban water suppliers with significant water reductions, revisions to this provision and a clear alternative pathway should be incorporated into the Proposed Regulations.

For cities and urban water suppliers that identify affordability as a significant challenge, a process should be developed to allow those suppliers to evaluate their local conditions and present a prioritization plan with actions that they will take to address the standard that presents the greater opportunity for water savings and work towards those specific efforts. Once the State Water Board approves this prioritization plan, assistance should be provided to the urban water supplier to ensure that they have a technical

¹² State Water Board [Standardized Regulatory Impact Assessment](#) for the Proposed Regulations

assistance provider that can support the supplier in reaching their goals. The prioritization plan should specify the timeline and goals the urban water supplier aims to achieve, the State Water Board should not enact enforcement measures or violations of the regulations during the timeline of the prioritization plan. Knowing that DAC suppliers and those that have the greatest water savings targets will likely be disproportionately impacted by Proposed Regulations, providing an opportunity to focus and prioritize actions without enforcement repercussions would benefit the overall goal of trying to achieve the greatest water savings in a more cost-effective way.

4) Streamline administrative and data reporting for cities and urban water suppliers and allow for more prudent approaches to reporting data.

The Proposed Regulations currently include significant data reporting requirements. In order to uphold the legislative intent to identify opportunities for streamlined reporting, eliminate redundant data submissions, and incentivize open access to data collected by urban water suppliers¹³, the Proposed Regulations should be revised to include a process for suppliers to verify existing data, rather than submit the same data multiple times.

4a) Develop an ongoing, publicly accessible data verification process in coordination with DWR.

The State Water Board should work in coordination with DWR to address and streamline the administrative and data reporting requirements of the Proposed Regulations. Such coordination should focus on identifying available data from other reporting efforts that are already submitted to the state and deploying a process for urban water suppliers to simply verify and correct existing data. With each reporting requirement, the local communication system, data collection method, staffing or consultant support, and associated costs must be considered by the local agency. Excessive data reporting will not achieve specific water savings, rather embed greater costs associated with local implementation.

At the October 4, 2023 Public Workshop and subsequently in an email notice on October 16, 2023, State Water Board staff stated that urban water suppliers would have until October 31, 2023 to verify and update their data in the provisional tool. Providing cities and urban water suppliers less than a month to verify their data is a disservice to the overall water conservation effort. The State Water Board should incorporate into the Proposed Regulations a more robust process, in coordination with DWR, to engage with the city and urban water suppliers to verify the data in the provisional data set.

4b) Incorporate a data error adjustment into the Urban Water Use Objective in the Proposed Regulations.

Many cities and urban water suppliers would like to discuss their data set to better understand how the State Water Board is including and interpreting the data, since the Proposed Regulations are so technical and data centric. Additionally, the many variables of each standard likely contain inherent data errors, the Proposed Regulations must also incorporate a data error adjustment of 10 percent to offset the cumulative assumptions made when combining the variables and standards that calculate the overall Urban Water Use Objective.

¹³ California Water Code Section [10609\(c\)\(4\)](#)



5) Establish a cooperative working relationship with cities and urban water suppliers to ensure the Proposed Regulations can be successfully implemented at the local level.

Cal Cities is appreciative that the State Water Board held a Public Workshop on October 4, 2023 for interested parties, including cities and urban water suppliers, to engage and provide input on the Proposed Regulations. Additional Public Workshops, educational materials, and resources should be made available to support broader engagement, awareness, and education on this extremely technical rulemaking. Consistent with Water Code Section 10609(b)(3)¹⁴ and for water conservation to be successful statewide based on the Proposed Regulations, communication and engagement must increase in particular with cities and urban water suppliers who will be the key implementing agencies. Advisory groups, forums, regional public workshops, educational materials, data sharing, and staff liaison are all ways in which formal rulemaking processes and regulatory programs can engage the regulated community. These efforts must be pursued for this formal rulemaking. The success of the Proposed Regulations will hinge on the local implementation by cities and urban water suppliers, therefore it is imperative that the State Water Board engage directly with statewide associations who represent the majority of urban water suppliers in the state, including, but not limited to, the League of California Cities, to:

- Address policy and technical concerns with the Proposed Regulations and further understand the potential implications that will prevent local success;
- Host regional workshops on the Proposed Regulations to engage cities and urban water suppliers; and
- Provide state assistance, including working together with technical assistance providers, to educate and encourage board engagement in the development and implementation of the Proposed Regulations.

Cal Cities appreciates the opportunity to provide formal written comments to the State Water Board on the Proposed Regulations and looks forward to working together collaboratively to address our comments. Please do not hesitate to contact me at msparkskranz@calcities.org or 916-658-8232 regarding our input.

Sincerely,

A handwritten signature in blue ink that reads "Melissa J. Sparks-Kranz".

Melissa Sparks-Kranz
Legislative Representative
League of California Cities

¹⁴ California Water Code [10609\(b\)\(3\)](#) states: *This chapter requires the department and the board to solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter.*



cc: The Honorable E. Joaquin Esquivel, Chair, State Water Resources Control Board
The Honorable Dorene D'Adamo, Vice Chair, State Water Resources Control Board
The Honorable Laurel Firestone, Board Member, State Water Resources Control Board
The Honorable Sean Maguire, Board Member, State Water Resources Control Board
The Honorable Nichole Morgan, Board Member, State Water Resources Control Board
Eileen Sobeck, Executive Director, State Water Resources Control Board
Eric Oppenheimer, Chief Deputy Director, State Water Resources Control Board
James Nachbaur, Office of Research, Planning, and Performance Director, State Water Resources Control Board
Charlotte Ely, Office of Research, Planning, and Performance Climate and Strategy Advisor, State Water Resources Control Board

Appendix A: Proposed Regulation Text with Red Strikethrough Revisions to Support Cal Cities Recommendations

Adopt new section 966:

§ 966. Urban Water Use Objectives

(a) Each urban retail water supplier shall calculate ~~and comply with~~ its urban water use objective no later than January 1, 2025, and by January 1 every year thereafter.

Cal Cities
Recommendation 2(a)

§ 966. Urban Water Use Objectives

(c) The objective shall be composed of the sum of the following budgets:

- (1) A budget for efficient indoor residential water use (*Rindoor*) as described in section 967.
- (2) A budget for efficient outdoor residential water use (*Routdoor*) as described in section 968.
- (3) A budget for efficient water use on commercial, industrial, and institutional landscapes with dedicated irrigation meters or equivalent technology (*CIIIDIM*) as described in section 969.
- (4) A budget for efficient real water losses (*L*) as described in section 970.
- (5) Budgets for any approved variances (*V*) and temporary provisions (*Pr*) as described in sections 967, 968, and 969.
- (6) A bonus incentive for potable reuse (*BPR*) as described in section 971.

(7) A data error adjustment of 10 percent for each supplier.

(d) The formula for calculating a supplier's urban water use objective (*WUO*), in gallons, is expressed mathematically as follows:

$$WUO = R_{indoor} + R_{outdoor} + CIIIDIM + L + V + Pr + BPR + D$$

(e) If any system owned and operated by a supplier is lacking the data needed to calculate the budgets described in subdivision (c)(1) through (4), that system shall be excluded from the overall objective calculation until the requisite data is obtained. The requisite data must be obtained no later than July 1, 2028, for use in the 2030 reporting year.

(1) The Board shall develop a publicly accessible process to, on an ongoing basis, allow for suppliers to verify their data, eliminate redundant data reporting, and remedy data inaccuracies.

Cal Cities
Recommendation 4(b)

Cal Cities
Recommendation 4(a)

§ 966. Urban Water Use Objectives

(g) Compliance with this section shall be assessed on the overall objective, not the individual budgets identified in subdivision (c), except for **circumstances pertaining to section 978(d) or for** water loss, in which shall also be assessed individually pursuant to section 981.

Cal Cities
Recommendation 1(b)

§ 966. Urban Water Use Objectives

i. Starting in 20~~32~~³⁵, a supplier meeting all the criteria in paragraphs (1) or (2) may, in calculating its budgets for efficient outdoor residential water use and for commercial, industrial, and institutional landscapes with dedicated irrigation meters, apply the standards described in sections 968(a)(2) and 969(a)(2) through 2040.

Cal Cities
Recommendation 3(b)

1. (A) The average median household income of the supplier's service area **or a portion of the service areas** is less than or equal to 80 percent of the median household income of California.

(B) The urban water use objective calculated by the supplier pursuant to subsection (b) would result in an objective that is 80 percent or less of the supplier's actual urban water use, calculated in accordance with section 10609.22.

(C) The annual reports the supplier has submitted since 2030, pursuant to section 975, show that the supplier is making continued progress, reducing its actual urban water use by an average of no less than 2 percent per year.

(D) The supplier shows to the satisfaction of the board that it is unable to meet its urban water use objective because of the applicable outdoor standards identified in sections 968 and 969.

2. (A) The urban water use objective calculated by the supplier pursuant to section 966 would result in an objective that is 80 percent or less of the supplier's actual urban water use, calculated in accordance with section 10609.22.

(B) The annual reports the supplier has submitted since 2030, pursuant to section 975, show that the supplier is making continued progress, reducing its actual urban water use by an average of no less than 2 percent per year.

(C) The supplier verifies compliance with requirements of the G480 Water Conservation and Efficiency Program Operation and Management Standard established by the American Water Works Association.

(D) The supplier verifies compliance with the Standards for Tree City USA Recognition.

(E) The supplier manages a program dedicated to the creation and maintenance of climate-ready landscapes across its service area.

Program elements shall include but are not limited to:

(i) The supplier verifies annual conversion of no less than 0.1 percent of turf area into climate-ready landscapes.

(ii) The supplier verifies use of a recognized, verifiable rating system, such as the ReScape Rated Landscape Scorecard or the Sustainable SITES Initiative, to assure its program is supporting climate-ready landscapes.

(iii) The supplier verifies creation of or participation in regional and local partnerships dedicated to the installation and maintenance of climate-ready landscapes.

(iv) The supplier provides dedicated funding for the creation and maintenance of climate-ready landscapes, with a minimum of 40 percent of program funds dedicated to low-income households and disadvantaged communities within the supplier's service area.

(v) The supplier dedicates no less than one full-time staff person to the creation and maintenance of climate-ready landscapes.

(F) The supplier shows to the satisfaction of the board that it is unable to meet the objective pursuant to section 966 because of the applicable outdoor standards identified in sections 968 and 969.

(3) Urban retail water suppliers may submit a prioritization plan to the Board for approval by the Executive Director, or the Executive Director's designee, where affordability constraints prevent the supplier from complying with these regulations. The prioritization plan shall include specific actions, timelines, and goals to achieve the greatest volumetric water savings through the most cost-effective approach. For suppliers that receive an approved prioritization plan, section 978(a), (b) and (c) shall not apply for the duration of the prioritization plan.

Cal Cities
Recommendation 3(b)

(j) The Board shall establish a technical assistance program, in coordination with the Department of Water Resources, to support the implementation of local water efficiency programs. Technical assistance shall be prioritized for urban retail water suppliers who meet the definition in section 966(i)(1)(A) or have significant water reduction targets, at the discretion of the Board.

Cal Cities
Recommendation 3(a)

§ 966. Urban Water Use Objectives

(k) In an effort track water savings, the Board shall establish and publicly available system to monitor water savings annually, both statewide and by the ten Hydrologic Regions in the state.

Cal Cities
Recommendation 1(b)

Adopt new section 967:

§ 967. Indoor Residential Water Use Standard

(d) An urban retail water supplier may request a temporary provision to respond to negative impacts to wastewater collection, treatment, and reuse systems, if the supplier shows to the satisfaction of the Board that meeting the objective pursuant to section 966 would require adhering to the applicable residential indoor standard identified in Water Code section 10609.4 and that meeting the budget for efficient residential indoor use is causing challenges within wastewater collection, treatment, and reuse systems.

Cal Cities
Recommendation 1(c)

(e) In order to receive approval for a variance, provision, or a temporary provision for a given reporting year, an urban retail water supplier must submit to the Board, by October 1, for review and approval by the Executive Director, or the Executive Director's designee, a request that includes the following components:

(1) Information showing how the request is warranted and protects beneficial water uses, shown by quantifying and substantiating each request; demonstrating that the water applicable to the request is water delivered by the supplier; and verifying that the approval of the request would not jeopardize the ability of a permittee within the supplier's service area to comply with existing permit requirements.

Adopt new section 968:

§ 968. Outdoor Residential Water Use Standard

(a) (1) Through June 30, 2030, the standard for efficient residential outdoor use (Soutdoor) shall be a landscape efficiency factor of 0.80.

(2) Beginning July 1, 2030, ~~and through June 30, 2035~~, the standard for efficient residential outdoor use shall be a landscape efficiency factor of 0.63.

~~(3) Beginning July 1, 2035, the standard for efficient residential outdoor use shall be a landscape efficiency factor of 0.55.~~

(4) The standard for efficient residential outdoor use for residential special landscape areas shall be a landscape efficiency factor of 1.0.

~~(5) The standard for newly constructed residential landscapes (Snew) shall be a landscape efficiency factor of 0.55. the same factor as identified in section 492.4 for residential areas.~~

Cal Cities
Recommendation 1(a)

§ 968. Outdoor Residential Water Use Standard

Cal Cities
Recommendation 2(d)

- (b)(2) Residential landscape area includes, for each supplier:
- (A) The supplier's unique square footage of Irrigable Irrigated area provided by the Department to the Board on October 3, 2022, or any updates thereafter, minus any landscape area that the Department categorizes as residential but that the supplier categorizes as CII.
- (B) ~~Through June 30, 2027, a~~ supplier may include in its residential landscape area up to twenty percent of the supplier's unique square footage of Irrigable Not Irrigated area provided by the Department to the Board on October 3, 2022, if the supplier's actual urban water use for the reporting year, calculated in accordance with section 10609.22, is greater than the urban water use objective calculated pursuant to section 966 without inclusion of Irrigable Not Irrigated area.

§ 968. Outdoor Residential Water Use Standard

- (e) (2) Variances may be requested annually for:
- (A) populations of horses and other livestock
- (B) water for dust control on horse corrals or other animal exercise arenas
- (C) water for irrigating agricultural landscapes that are within residential areas but have not been classified as irrigable irrigated by the Department
- (D) water used to respond to emergency events, not including drought
- (E) water for landscapes irrigated with recycled water containing high levels of TDS
- (F) water to supplement ponds and lakes to sustain wildlife as required by existing regulations or local ordinances
- (G) ~~Other variances that protect water for community public health, including dust control~~

Cal Cities
Recommendation 1(c)

Adopt new section 969:

§ 969. Standard for outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with commercial, industrial, and institutional (CII) water use.

- (a) (1) Through June 30, 2028, an urban retail water supplier's budget for commercial, industrial, and institutional landscapes with dedicated irrigation meters (SDIM) shall be the supplier's actual deliveries associated with landscape irrigation reported to the Board pursuant to Health and Safety Code section 116530.

Cal Cities
Recommendation 1(a)

(2) Beginning July 1, 2028, and through June 30, 2030, the standard for CII landscapes with DIMs (SDIM) shall be a landscape efficiency factor of 0.80.

(3) Beginning July 1, 2030, ~~and through June 30, 2035~~, the standard for CII landscapes with DIMs (SDIM) shall be a landscape efficiency factor of 0.63.

Cal Cities
Recommendation 1(a)

~~(4) Beginning July 1, 2035, the standard for CII landscapes with DIMs (SDIM) shall be a landscape efficiency factor of 0.45.~~

(54) For CII landscapes with DIMs that are special landscape areas, the standard ($S_{DIM\ SLA}$) shall be a landscape efficiency factor of 1.0. The $S_{DIM\ SLA}$ shall be applied to CII landscapes with DIMs that are special landscape areas as defined in section 491 as well as CII landscapes with DIMs that are any of the following:

(A) Slopes designed and constructed with live vegetation as an integral component of stability;

(B) Ponds or lakes receiving supplemental water for purposes of sustaining wildlife, recreation, or other public benefit, excluding water reported to the Board supporting a variance for ponds and lakes for sustaining wildlife required to be maintained by regulation or local ordinance;

(C) Plant collections, botanical gardens, and arboretums;

(D) Public swimming pools and similar recreational water features; and

(E) Cemeteries built before 2015.

~~(65) The standard for CII landscapes with DIMs that are newly constructed landscapes shall be a landscape efficiency factor of 0.45. the same factor as identified in section 492.4 for non-residential areas.~~

Adopt new section 971:

§ 971. Bonus Incentive

~~(c) If an urban retail water supplier stores or conserves water supplies on an annual basis that supports community, economic, or environmental needs, the supplier may add to its objective a bonus incentive. The bonus incentive shall be calculated based on volumetric water savings submitted by the supplier to the Board, by no later than October 1, for review and approval by the Executive Director, or the Executive Director's designee.~~

Cal Cities
Recommendation 1(d)

~~(1) If the storage or conservation efforts include recharging groundwater basins, participation in groundwater allocation programs, participation in regional or wholesaler recycled water or desalination programs, regional surface storage or storage expansion projects, or instream flow environmental water releases, the bonus incentive shall not exceed 10% of the sum of the budgets described in section 966(c)(1) through (5).~~

~~(d) If an urban retail water supplier conserves water to support increased housing needs, the supplier may add to its objective a bonus incentive.~~

The bonus incentive shall be calculated based on volumetric water savings submitted by the supplier to the Board, by no later than October 1, for review and approval by the Executive Director, or the Executive Director's designee.

(1) If the water conserved supports increased housing needs, the bonus incentive shall not exceed 10% of the sum of the budgets described in section 966(c)(1) through (5).

Adopt new section 974:

§ 974. Commercial, Industrial and Institutional water use best management practices for customers that exceed a recommended size, volume of water use, or other threshold

Cal Cities
Recommendation 2(c)

(a) Each supplier shall identify all disclosable buildings in their service area by January 1, 20~~25~~30.

(b)(1) For every customer for which the square footage of its building meets the definition of a disclosable building in section 1681 of the California Code of Regulations at title 20, a supplier shall complete the following:

(A) For each meter, the supplier shall deliver to the building owner or Owner's Agent the last four characters of the meter serial number serving the building.

(B) For each meter, the supplier shall identify, aggregate, and provide all water use data, in monthly intervals, for at least the previous calendar year, and all available data for the calendar year in which data is requested, by one of the following methods:

(i) Suppliers not using ENERGY STAR Portfolio Manager's Data Exchange Services shall send the data to the building owner or Owner's Agent using the template provided by ENERGY STAR Portfolio Manager.

(ii) Suppliers using ENERGY STAR Portfolio Manager's Data Exchange Services shall provide the data by direct upload to the building owner's or Owner's Agent's ENERGY STAR Portfolio Manager account, or, at the building owner's or Owner's Agent's request, send the data to the building owner or Owner's Agent using the template provided by ENERGY STAR Portfolio Manager.

(2) Suppliers shall make annual progress in providing the information in paragraph (1) to the owners or Owner's Agents of disclosable buildings and shall provide the information for at least twenty percent of disclosable buildings by 20~~26~~31, at least sixty percent by 20~~28~~33, and one hundred percent by 203~~0~~5.

(c) For those customers at or above the 80th percentile for water use in

each of the classification categories described in section 972, excluding process water, each supplier shall, by January 1, 20~~25~~35, design and implement a conservation program that includes at least one of the best management practices from each of paragraphs (1) through (5):

Cal Cities
Recommendation 2(c)

- (1) Outreach, Technical Assistance, and Education best management practices.
 - (A) Direct contacts via site visits or phone calls
 - (B) Informative or educational bill inserts
 - (C) Conducting workshop or developing training videos
 - (D) Webpage portals to access information, tools, and rebates
 - (E) Cost-effectiveness analysis tools
 - (F) Commercials or advertisements
 - (G) Grass roots marketing
 - (H) Community based social marketing
 - (I) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval

- (2) Incentive best management practices.
 - (A) Rebates and cost-sharing for replacing inefficient fixtures, equipment, irrigation systems or landscapes with water efficient ones
 - (B) Certification or branding programs that recognize customers as water efficient
 - (C) Value-added programs that offer additional benefits
 - (D) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval

- (3) Landscape best management practices.
 - (A) Landscape and irrigation management practices to promote improved water use efficiency
 - (B) Irrigation system inspection and maintenance
 - (C) Irrigation scheduling training
 - (D) New development landscape inspection, workshops, and training
 - (E) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval
 - (F) Programs to remove turf and replace it with climate-ready vegetation
 - (G) Programs to decrease urban heat and reduce turf water use by planting trees
 - (H) Programs to install green infrastructure such as swales or rain gardens that both reduce wet-weather runoff as well as offset irrigation needs.

- (4) Collaboration and coordination best management practices.
 - (A) Coordination with “green” building certification or recognition

programs to promote water use efficiency

(B) Coordination with land use authorities to check new landscapes design and implementation

(C) Collaboration with non-governmental organizations on outreach and education

(D) Collaboration with municipal arborists and tree planting organizations to expand and maintain urban forests.

(E) Collaboration with stormwater agencies to install green infrastructure such as swales or rain gardens that both reduce wet-weather runoff as well as offset irrigation needs.

(F) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval

(5) Operational best management practices.

(A) Infrastructure changes (for example, smart meter replacement programs)

(B) Billing or data collection procedures (for example, data tracking, analysis, and reporting improvements)

(C) Other operational best management practices to facilitate CII- best management practices program implementation and evaluation

(D) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval

(d) For those commercial, industrial, and institutional customers that are at or above the 97.5th percentile for water use, excluding process water, each supplier shall, by January 1, 20~~25~~³⁵, design and implement a conservation program that includes at least two of the best management practices from each of paragraphs (1) through (5) in subdivision (c).

(e) (1) Each urban retail water supplier shall ban the irrigation of non-functional turf with potable water on all commercial, industrial, and institutional (CII) landscapes in its service area by July 1, 2025.

(2) Notwithstanding paragraph (1), a supplier is not required to ban the irrigation of non- functional turf on CII landscapes in its service area that is necessary to ensure the health of trees and other perennial non-turf plantings or that is necessary to address an immediate health and safety need.

(3) Notwithstanding paragraph (1), a supplier may approve a request for continued irrigation of non-functional turf where the user certifies that the turf is a low water use plant with a plant factor of 0.3 or less, and demonstrates the actual use is less than 40% of reference evapotranspiration.

(4) For purposes of this subdivision, CII landscapes include homeowners'

associations, common interest developments, community service organizations, and other similar entities but do not include the residences of these entities' members or separate interests, as defined in section 4185 of the Civil Code.

- (f) Suppliers shall make annual progress in meeting the requirements of subdivisions (c) and (d), with compliance of at least twenty percent by 202631, at least sixty percent by 202833, and one hundred percent by 20305. After 20305, the supplier shall ensure at least 95% compliance, as assessed on an annual basis.

Cal Cities
Recommendation 2(c)

Adopt new section 978:

§ 978. Urban Water Use Objectives – Enforcement

(a) The failure to provide the information requested under this article within the time provided in the order, or as specified under this article, is a violation subject to civil liability pursuant to Water Code section 1846 or 1846.5.

(b) A decision or order issued under this article or under Water Code section 10609.24, subdivision (c), section 10609.26, subdivisions (a) or (c), or section 10609.28 is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the Water Code.

(c) Orders issued under this article are effective upon issuance, consistent with the following schedule:

- (1) Informational orders may be issued on or after June 1, 2026,
- (2) Written notice to an urban retail water supplier that does not meet its urban water use objective may be issued on or after June 1, 2027, and
- (3) Conservation orders may be issued on or after June 1, 2028.

Cal Cities
Recommendation 2(b)

§ 978. Urban Water Use Objectives – Enforcement

(d) Consistent with Section 966(g) and (k), volumetric water savings at the Hydrologic Region scale may be determined sufficient with regards to compliance, at the discretion of the Board. The urban retail water suppliers must collectively submit to the Board for review and approval by the Executive Director, or the Executive Director's designee, a request to evaluate the Hydrologic Region's volumetric water savings. Volumetric water savings at the Hydrologic Region scale must show satisfactory progress in meeting the statewide goal of achieving 500,000 acre-feet annually of water savings by 2030 and 2040 to serve as the compliance backstop, which once approved would alleviate orders, violations, or fines on individual urban retail water suppliers within the Hydrologic Region.

Cal Cities
Recommendation 1(b)