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Urban Advisory Group

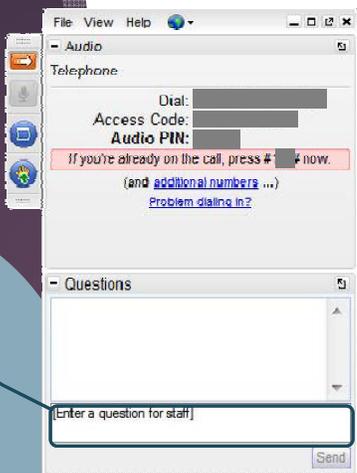
SEPTEMBER 19 AND 20, 2016

Webinar Control Panel – Providing Comments

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Make sure you are unmuted on your end.

Enter Comments here



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WEBINAR ORIENTATION

If you have technical difficulties, contact Lisa Ballin: lballin@ccp.csus.edu

This is a listen-only Webinar. We will not have time to respond to comments in real-time today, but they will be included in the meeting summary. You can also submit comments to wue@water.ca.gov.

Meeting Objectives

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- ▶ Review Draft Framework from Project Teams:
 - ▶ Strengthen Local Drought Resilience
 - ▶ Eliminate Water Waste
 - ▶ Use Water More Wisely
- ▶ Discuss considerations for January 10, 2017 Report

Agenda Overview

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Day 1

- ▶ Project Update
 - ▶ Overview of January 10, 2017 Report
 - ▶ Review Project Timeline
- ▶ EO Directives:
 - ▶ Strengthen Local Drought Resilience
 - ▶ Eliminate Water Waste

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Agenda Overview

Day 2

- ▶ EO Directives:
 - ▶ Use Water More Wisely
- ▶ Overview of Report components
- ▶ Next Steps

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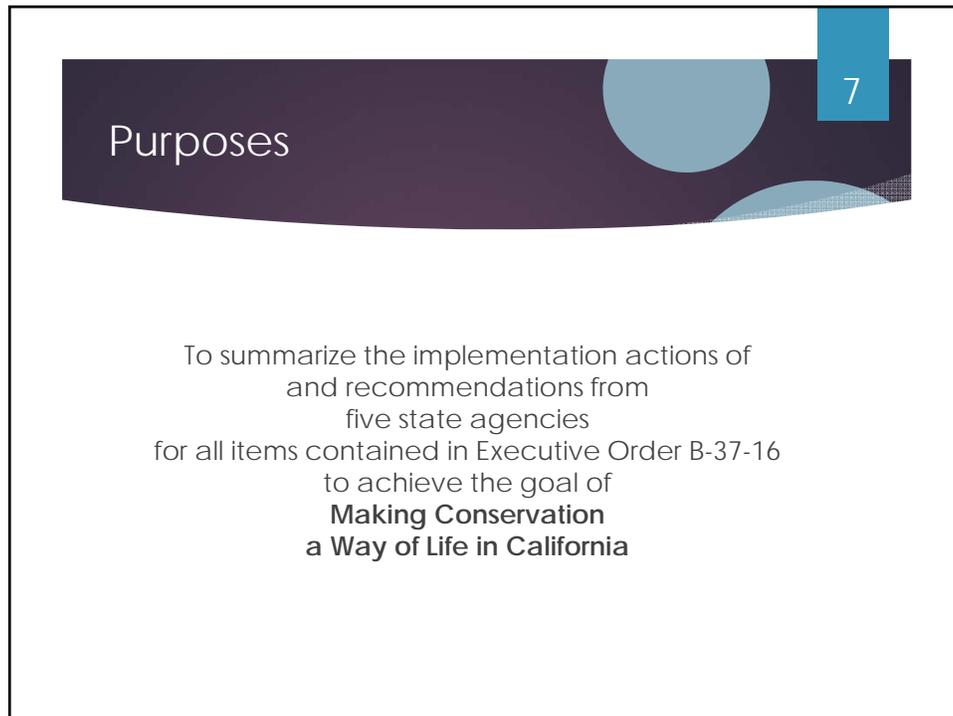
Report



Making Conservation a Way of Life
Implementing Executive Order B-37-16
January 10, 2017



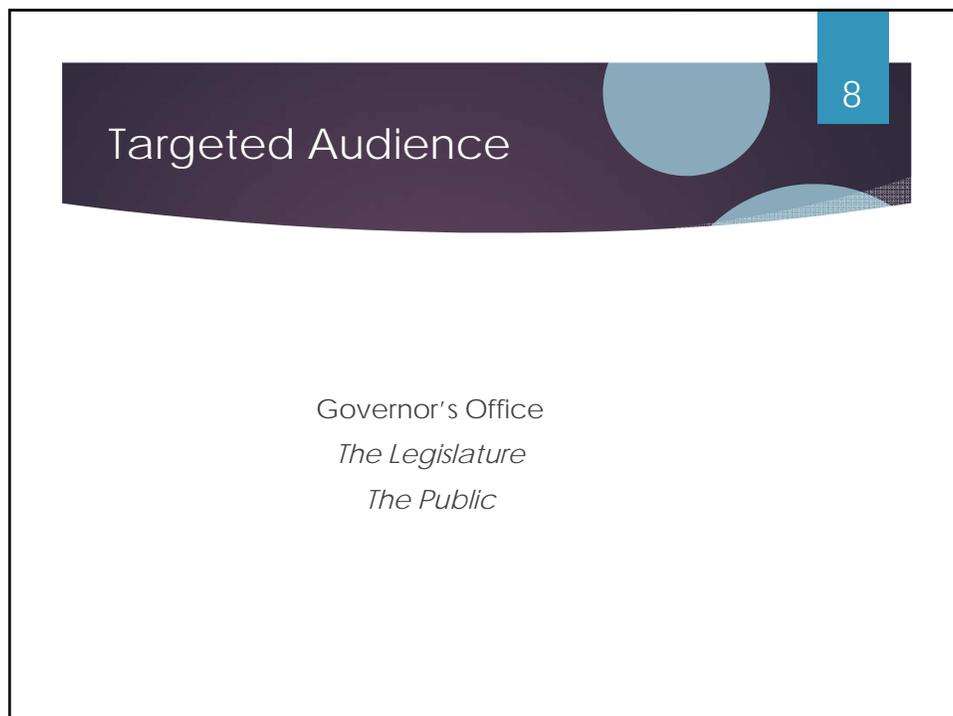
Cover image for illustrative purposes only.



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Purposes

To summarize the implementation actions of
and recommendations from
five state agencies
for all items contained in Executive Order B-37-16
to achieve the goal of
**Making Conservation
a Way of Life in California**



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Targeted Audience

Governor's Office
The Legislature
The Public

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Strategy

- ▶ **Unified:** Joint report from all 5 agencies responsible for EO implementation
- ▶ **Complete:** Include actions and recommendations to meet EO directives
- ▶ **Comprehensive:** Actions and recommendations include (where applicable) requirements, metrics, technical and financial assistance, reporting, compliance, and enforcement
- ▶ **Concise:** Supporting studies and evidences are incorporated by reference

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Document Organization

INTRODUCTION & BACKGROUND

- Chapter 1 – Introduction
- Chapter 2 – Background & Context
- Chapter 3 – Making Conservation a Way of Life in California

ACTIONS & RECOMMENDATIONS

- Chapter 4 – Directives Implemented Within Existing Authorities
- Chapter 5 – Recommendations that Require Additional Authorities to Implement

SUMMARY & SCHEDULE

- Chapter 6 – Implementation Framework

EXECUTIVE ORDER ITEMS

- Emergency Water Conservation Regulations for 2017
- Permanent Prohibition of Wasteful Practices
- Reduced Water Supplier Levels and Water Losses
- Certification of Innovative Technologies for Water Conservation and Energy Efficiency
- New Water Use Targets Based on Strengthened Standards
- Water Shortage Contingency Plans
- Drought Planning for Small Systems and Rural Communities
- Agricultural Water Management Plans

Report Outline
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- Chapter 1. Introduction
 - ▶ Purpose of this Report
 - ▶ Development Process
 - ▶ Organization
- Chapter 2. Water Conservation in California
 - ▶ History of Water Conservation
 - ▶ Recent Events and Actions (CWAP, Drought)
- Chapter 3. Making Conservation a Way of Life
 - ▶ Executive Order B-37-16
 - ▶ Framework for Implementation (Intro for Chapters 4&5)
 - ▶ Organization of Actions and Recommendations
 - ▶ Related Programs and Activities

Report Outline (cont'd)
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Chapter 4. Directives that Will be Implemented Within Existing Authorities

-  ▶ Emergency Water conservation Regulation for 2017 (EO 1)
-  ▶ Permanent Prohibition in Wasteful Practices (EO 4)
-  ▶ Reduce Water Supplier Leaks and Water Losses (EO 5; EO 6)
-  ▶ Certification of Innovative Technologies for Water Conservation and Energy Efficiency (EO 7)

The following will be reported for each item:

- Need for change
- Directive
- Implementation

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Report Outline (cont'd)

Chapter 5. Recommendations that Require Additional Authority for Implementation

- 
▶ New Water use Targets based on strengthened Standards (EO 2&3)
- 
▶ Strengthen Urban Water Shortage Contingency Plan (EO 8&9; EO 6)
- 
▶ Improve Drought Planning for Small Water Suppliers and Rural Communities (EO 10; EO 6)
- 
▶ Update Agricultural Water Management Plan Requirements (EO 11, 12&13; EO 6)

The following will be reported for each item:

- Need for Change
- Directive
- Recommendations
- Reporting, Compliance and Enforcement
- Relationship to Other EO recommendations
- Other Recommended Actions

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Report Outline (cont'd)

Chapter 6. Framework for Implementation

- ▶ Summary
- ▶ Schedule

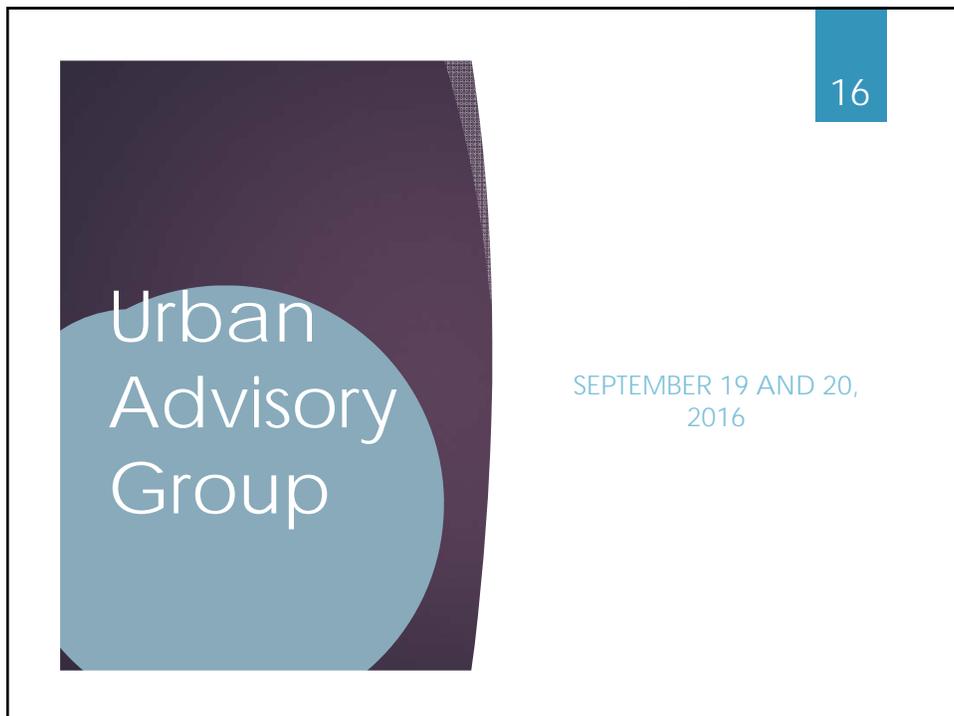


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Report Schedule

Aggressive Schedule

- ▶ Public Draft: November 4, 2016
- ▶ Public Comments Due: November 14, 2016
- ▶ Final: January 10, 2017 (mandated date)



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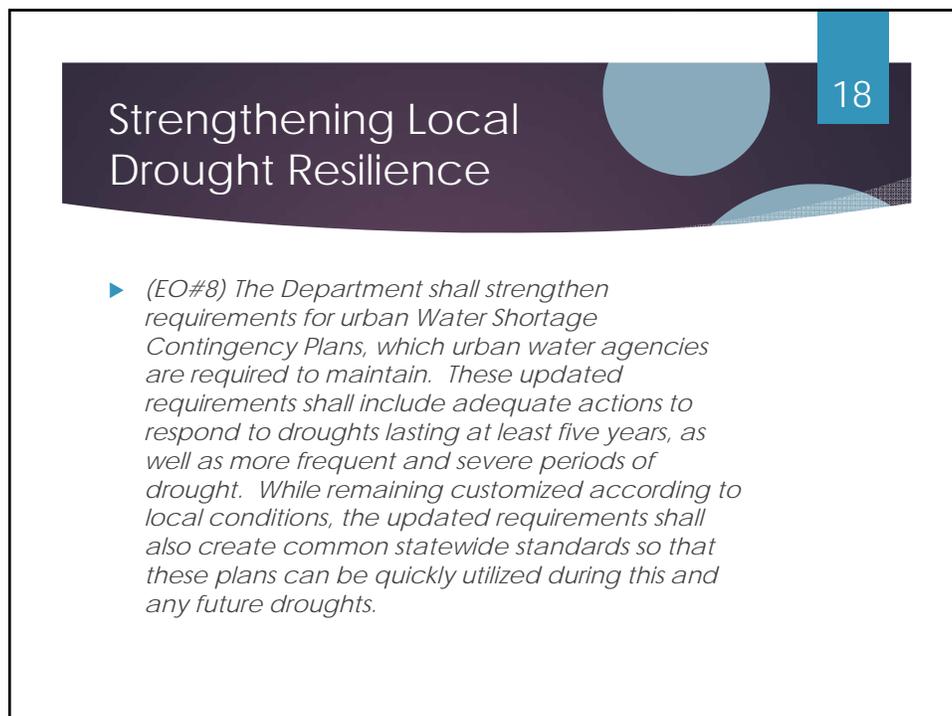


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Project Team

WATER SHORTAGE CONTINGENCY PLAN

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Strengthening Local Drought Resilience

- ▶ *(EO#8) The Department shall strengthen requirements for urban Water Shortage Contingency Plans, which urban water agencies are required to maintain. These updated requirements shall include adequate actions to respond to droughts lasting at least five years, as well as more frequent and severe periods of drought. While remaining customized according to local conditions, the updated requirements shall also create common statewide standards so that these plans can be quickly utilized during this and any future droughts.*

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Goal / Deliverables
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- ▶ *To develop standard WSCP requirements to assure water supplier drought resilience and forestall the need for State mandated actions*
- ▶ *To recognize the need for supplier-specific flexibility for responding to actual or potential shortages*
- ▶ *To assure transparency and accountability to both customers and state agencies*

Approach
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- ▶ **Plan:** Develop supplier-specific WSCP with defined elements
- ▶ **Assess:** Use defined process to annually assess conditions and respond with supplier-appropriate actions
- ▶ **Respond:** Implement supplier appropriate actions already defined in WSCP (based upon assessment results)
- ▶ **Report:**
 - ▶ Submit annual assessment to State agencies
 - ▶ Submit WSCP every 5-years with UWMP
 - ▶ Submit monthly status when certain stages activated

Stakeholder feedback

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- ▶ The State needs to define the "problem" being fixed
- ▶ State-mandated "one-size-fits-all" percentage reduction goals do not work due to wide variety in supplier-specific circumstances
- ▶ Future supply conditions should reflect potential effects of: climate change, future regulatory constraints, hydrology variability, etc.
- ▶ Statewide standard "stages" must allow for supplier-specific local actions
- ▶ Voluntary demand reduction activities should be differentiated from "mandatory" reductions actions
- ▶ Triggers that drive locally-relevant responses should be clear

Stakeholder feedback (cont.)

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- ▶ Recognize that supply portfolio management and temporary supply augmentation may be part of a supplier's WSCP responses
- ▶ An economist should be involved in WSCP development
- ▶ The State should utilize existing supplier reporting and analyses when developing WSCP requirements
- ▶ Clearly differentiate that the long-term demand management from temporary WSCP response actions
- ▶ If the State may mandate conservation actions, it needs to clearly define predictable assessment processes and triggers so suppliers can plan accordingly

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Stakeholder Feedback (cont.)

- ▶ Regional or statewide mandated demand reduction seems unnecessary if suppliers are successfully implementing their WSCPs
- ▶ The State agencies should facilitate regional communications and coordination, and should coordinate amongst themselves with data and analysis
- ▶ The State needs to clarify how it may define a “region”

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Urban water suppliers submit a WSCP that:

1. Defines “Annual Assessment” process and timeline
2. Defines triggering criteria that would initiate responses
3. Defines response actions to mitigate actual or potential shortage
 - a. Supply management and augmentation
 - b. Voluntary and mandatory demand reduction
 - c. Customer incentives/disincentives
4. Establishes a “Communications Plan” with budgets, messages, methods, etc., that vary with responses
5. Demonstrates existing/new implementation authority
6. Addresses financial elements(fiscal impacts, reserve funds, SB814 fees, drought rates, etc.)

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WSCP elements (cont.)

7. Articulates reporting process, data, and timing
 - ▶ Internally (e.g. to elected board/council)
 - ▶ Externally to customers and neighboring suppliers or counties
 - ▶ To State agencies
8. Details Customer Compliance and Enforcement mechanisms
9. Establishes a Review/Improvement Process to assess and adjust:
 - ▶ The "Annual Assessment" process
 - ▶ The response actions
10. Details a customer exemption process

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State Agency Role

- ▶ Monitor regional and statewide conditions
- ▶ Review WSCPs and data
- ▶ Provide increased Technical and Financial Assistance for preparing and implementing WSCPs and related response actions
- ▶ Develop *Reporting, Compliance, and Enforcement* protocols to ensure suppliers are adequately prepared for more severe and frequent drought conditions

State's reporting, compliance and enforcement protocols

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- ▶ Objective
 - ▶ Document compliance with WSCP requirements
 - ▶ Establish a data record that can be useful in analysis, oversight and drought-risk evaluations
 - ▶ Provide transparency and accountability
- ▶ Timing
 - ▶ Supplier would submit required information to the the State by [date?] each year
 - ▶ Reporting would utilize existing State reporting requirements (data, formats, platforms) as appropriate to minimize redundancy and supplier resources

RCE Protocols (cont.)

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- ▶ Potential Data
 - ▶ Prior year's production volume
 - ▶ Current year's projected customer demand (prior to any reduction goal), and projected demand for next 5 years
 - ▶ Current year's supply, and projected available supply for next 5 years (potentially for multiple supply scenarios)
 - ▶ Selected responses (if any), accompanied by estimated supply augmentation and/or demand reduction (voluntary or mandatory)
 - ▶ Access/weblinks to materials presented to supplier's elected body detailing Annual Assessment data, analysis, results and recommendations (e.g. staff report)
 - ▶ Monthly submittals in declared drought emergency

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RCE Protocols (cont.)

- ▶ Potential Compliance
 - ▶ Submittal of complete and adequate WSCP to DWR
 - ▶ Submittal of annual assessment and stress test data to DWR and monthly status to SWRCB, if WSCP activated
- ▶ Potential Enforcement
 - ▶ Non-submittal of compliant WSCP or required reports
 - ▶ Non-implementation of supplier's own WSCP, if activated

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Assessment and Stress Test

- ▶ Proposed variants
- ▶ 1. Annual self assessment
 - a. submit with UWMP or if trigger invokes WSCP
 - b. five year stress test submitted with UWMP
- ▶ 2. Annual self assessment in current year plus five year stress test submitted to State
- ▶ 3. Annual self assessment submitted to State
 - a. submit to State a five year stress test with UWMP and when WSCP is invoked

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Proposed Triggers

	Risk Tolerance	current year assesment	year one	year two	year three	year four	year five
	25% surplus						
	20% surplus		Stage 1				
	15% surplus			Stage 2			
	10% surplus				Stage 3		
	5% surplus					Stage 4	
	supply = demand						Stage 5
	Loal Response Actions		Voluntary	Voluntary	Mandatory	Mandatory	Mandatory
	Demand reducion/supply augmentation						

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Suggested Assesment, Triggers Stage Actions



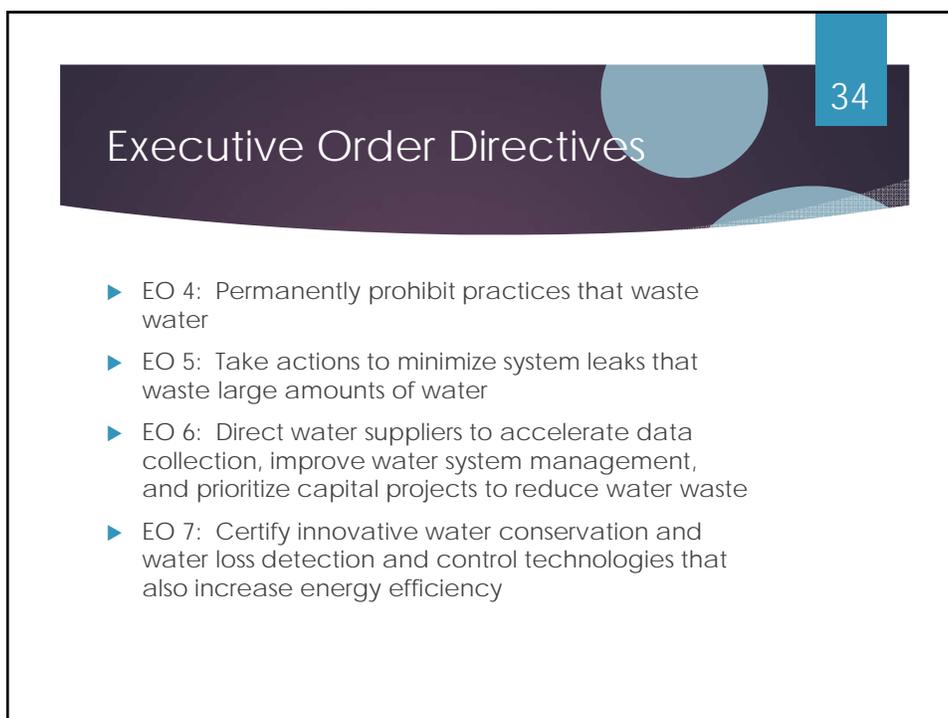


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Project Team

ELIMINATE WATER WASTE

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Executive Order Directives

- ▶ EO 4: Permanently prohibit practices that waste water
- ▶ EO 5: Take actions to minimize system leaks that waste large amounts of water
- ▶ EO 6: Direct water suppliers to accelerate data collection, improve water system management, and prioritize capital projects to reduce water waste
- ▶ EO 7: Certify innovative water conservation and water loss detection and control technologies that also increase energy efficiency

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EO State Agencies Implementation

- ▶ Adopt regulations that permanently prohibit wasteful water practices
- ▶ Provide water suppliers with technical assistance and funding
- ▶ Promote efforts among investor-owned utilities to reduce water waste
- ▶ Prepare information on innovative water conservation and water loss detection and control technologies
- ▶ Develop new AWMP requirements

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Stakeholder feedback

- ▶ Efforts already underway to reduce leaks
- ▶ Funding and technical assistance for leak detection are welcome
- ▶ Prioritization of water loss needs is warranted
- ▶ Water loss data collection and reporting metrics need to be considered

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Stakeholder feedback, cont.

- ▶ Address and support water loss in smaller systems
- ▶ Evaluate project cost-benefit when investing in water loss control
- ▶ Central water loss information hub is needed
- ▶ Assist suppliers in making it easier for them to help themselves
- ▶ Require water suppliers to perform component analysis

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EO State Agencies Response

- ▶ Identify urban retail water suppliers with high water losses. Offer technical assistance
- ▶ Make SB 555 and UWMP water loss data publicly available
- ▶ Promote development of an IBank loan program for water suppliers to invest in water loss control
- ▶ Reduce water waste for agricultural water suppliers through new AWMP requirements

EO State Agencies Response, cont.

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- ▶ Rulemaking to require component analysis
- ▶ Funding assistance for small suppliers through the Drinking Water State Revolving Fund
- ▶ Promote reductions in non-revenue water from investor-owned utilities and provide financial incentives
- ▶ Present information on innovative water conservation and water loss detection and control technologies that also increase energy efficiency. Provide funds for innovative leak detection technologies

EO State Agencies Response, cont.

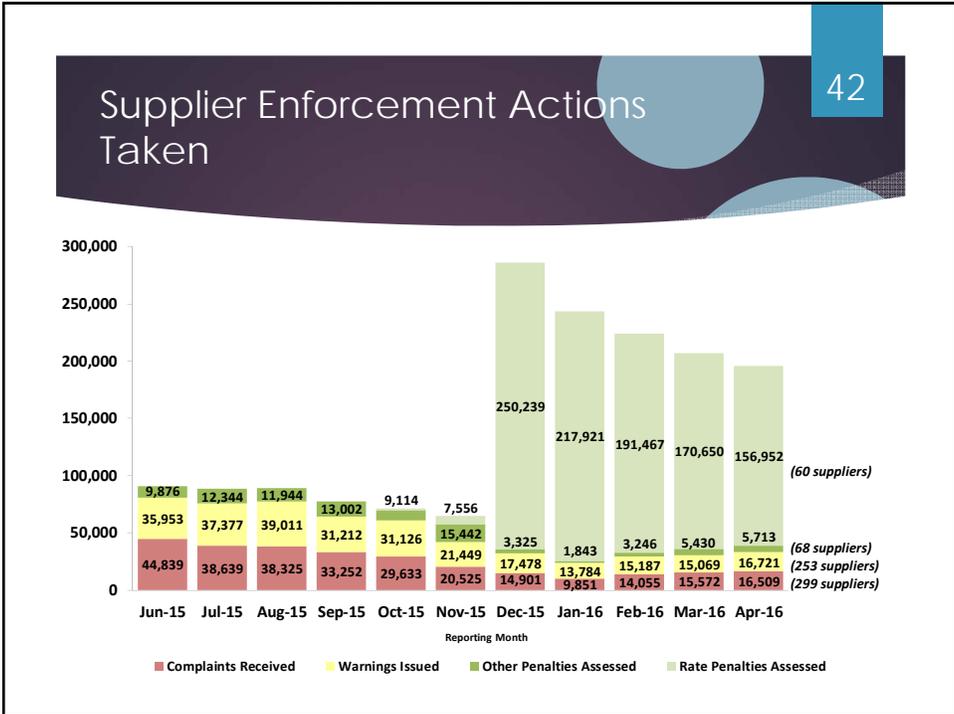
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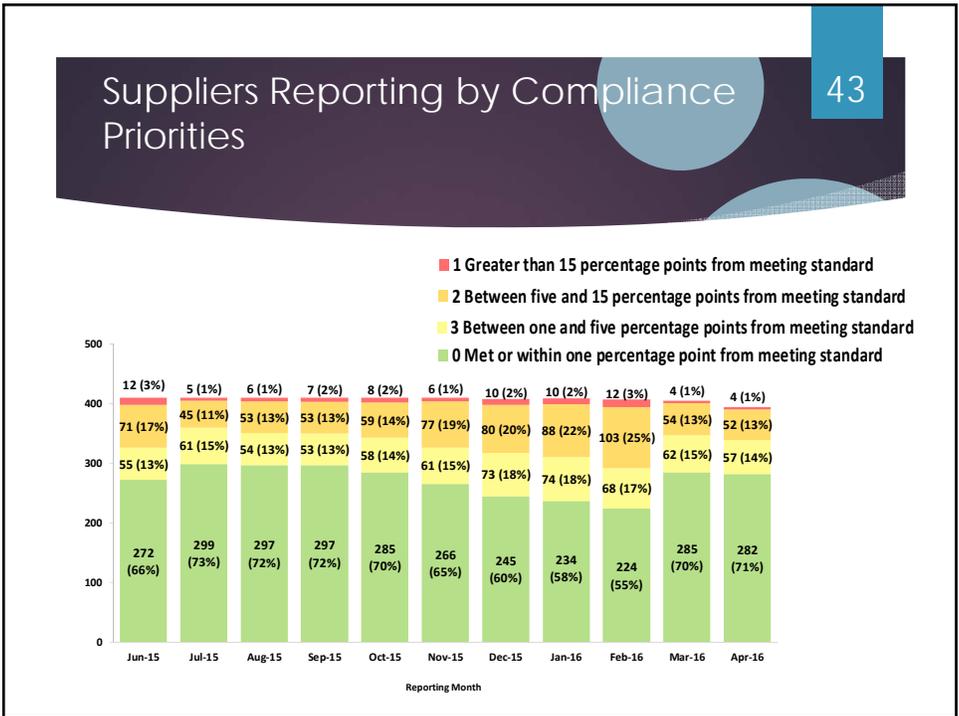
- ▶ The State EO agencies cannot facilitate the adoption of rate structures, it is outside the scope of water loss control actions

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Reporting, Compliance, & Enforcement

- **Reporting**
 - Monthly reporting on monthly water usage and enforcement against permanently prohibited wasteful water uses
 - Annual validated water loss audits
 - Continued reporting on measures to reduce non-revenue water by investor-owned utilities
 - Agricultural Water Management Plans every 5 years.





- ## Reporting, Compliance, & Enforcement, cont. 44
- **Compliance and Enforcement**
 - Technical and financial assistance
 - State loans and grants eligibility
 - Compliance and enforcement mechanisms for the water loss standards to be adopted in 2020
 - Additional options could be considered