



PUBLIC WORKSHOP

AB 1420

COMPLIANCE/ELIGIBILITY REQUIREMENTS

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Workshop Agenda

- Introductions
- Purpose of the Workshop
- AB 1420
- Compliance with AB 1420 Requirements
- Eligibility Requirements
- Process
- Q/A

AB 1420

- AB 1420 (Laird) requires DWR and other State agencies to condition water management grants and loans to urban water suppliers on implementation of the Demand Management Measures (DMMs).
- Effective January 1, 2009
- DWR to exercise its discretionary authority to determine whether an urban water supplier is eligible for a water management grant or loan.

Demand Management Measures and Best Management Practices

- Water Code section 10631(f), corresponds DMMs to the fourteen Best Management Practices (BMPs) listed and described in the CUWCC MOU.
- Based on this, DWR has consulted with the CUWCC and appropriate funding agencies, and determined that:
 - DMMs will be equated with the BMPs as described in the CUWCC MOU for loan and grant funding eligibility purposes.

Who is Subject to AB 1420?

- All Urban Water Suppliers that apply for grant or loan funds
- Agricultural WS that provide water for urban uses

Urban Water Supplier Definition

- Either publicly or privately owned
- More than 3000 customers or supplying more than 3000 acre-feet annually
- Includes any supplier, regardless of basis of water right, who sells/distributes water for ultimate resale to urban customers

Urban Water Supplier Definition

- Includes all suppliers, regardless of CUWCC membership or MOU signatory
 - Regardless of duration of membership
- Retail, wholesale urban water suppliers
- Local and/or regional implementation of BMPs

BMPs

- **BMP 1: Water Survey Program for Single-Family and Multi-Family Residential Customers**
- **BMP 2: Residential Plumbing Retrofit**
- **BMP 3: System Water Audit, Leak Detection & Leak Repair**
- **BMP 4: Metering w/Commodity Rates for New Connections & Retrofit of Existing Meter Connections**
- **BMP 5: Large Landscape Conservation Program and Incentives**
- **BMP 6: High-Efficiency Washing Machine Rebate Program**
- **BMP 7: Public Information**
- **BMP 8: School Education**
- **BMP 9: Conservation Programs for Commercial, Industrial, and Institutional (CII) Accounts**
- **BMP 10: Wholesale Agency Assistance Program**
- **BMP 11: Conservation Pricing**
- **BMP 12: Conservation Coordinator**
- **BMP 13: Water Waste Prohibition**
- **BMP 14: Residential ULFT Replacement Program**

New BMP Categories

■ Utility Operations Programs

- BMP 12: Conservation Coordinator
- BMP 13: Water Waste Prohibition
- BMP 10: Wholesale Agency Assistance Program
- BMP 3: System Water Audit, Leak Detection & Leak Repair
- BMP 4: Metering w/Commodity Rates for New Connections & Retrofit of Existing Meter Connections
- BMP 11: Conservation Pricing

■ Educational Programs

- BMP 7: Public Information
- BMP 8: School Education

New BMP Categories (cont.)

■ Residential

- BMP 1: Water Survey Program for Single-Family and Multi-Family Residential Customers
- BMP 2: Residential Plumbing Retrofit
- BMP 6: High-Efficiency Washing Machine Rebate Program
- BMP 14: Residential ULFT Replacement Program

■ Commercial, Industrial, Institutional

- BMP 9: Conservation Programs for Commercial, Industrial, and Institutional (CII) Accounts

■ Landscape

- BMP 5: Large Landscape Conservation Program and Incentives

What does BMP Implementation Compliance Mean?

It means that the Urban Water Supplier:

- Has, in the past, implemented all BMPs at a coverage level determined by the CUWCC MOU; or
- Is currently implementing all BMPs at a coverage level determined by the CUWCC MOU; or
- Has submitted a schedule, budget, and finance plan to implement all BMPs at a coverage level determined by CUWCC and commencing within the first year of the agreement for which grant funds are requested; or
- Has demonstrated by providing supporting documentation that certain BMPs are “not locally cost effective”.
 - “Not locally cost effective” means that the present value of the local benefits of implementing a BMP is less than the present value of the local costs of implementing that BMP.

What does BMP Implementation Compliance Mean?

UWS has demonstrated that (continued):

- it does not have legal authority to implement a particular BMP;
- it does not have financial means to implement a particular BMP.

Compliance vs. Eligibility

- Compliance is a measure of the extent of BMP implementation at the coverage level identified by the CUWCC MOU.
- Eligibility is qualifying to receive funds for BMP implementation by providing a schedule, budget, and finance plan.

AB 1420 BMP Compliance

- Regional applicants required to achieve level of conservation equivalent to sum of each participating supplier
- Allowance made for implementation of all BMPs under Alternative Conservation Approaches, such as CUWCC Flex Track BMPs, or GPCD
 - Alternative Conservation Approaches must achieve equal or greater conservation
- Sum of the past, current, and near-future BMP implementation must meet coverage determined by CUWCC MOU

Alternative Conservation Approaches

- Variance in BMP implementation levels
- Flex Track
- Total gallons per capita per day in lieu of complete BMP implementation

AB 1420 BMP Compliance

- All scheduled BMPs must be implemented within 1st year of grant agreement

Note:

- Some grant programs may make grant funding available to implement BMPs.
 - Specifics such as amount, percent cost-share, etc., are specific to grant program

Availability of Funds

- Availability of grant and loan funds will be dependent on State fiscal health and release of bond funds;
- Under Water Use Efficiency programs, funds may be available for BMP implementation;
- Availability of funds set aside for disadvantaged communities will be program specific.

What Applicant Needs to Do?

- Complete AB 1420 Self-Certification Statement Table 1
- Complete AB 1420 Self-Certification Statement Table 2
- Sign Self-Certification Statement Tables 1 & 2
 - Unsigned Self-Certifications Statement Tables 1 & 2 will not be reviewed
- Submit AB 1420 Self-Certification Statement Tables 1 & 2 to DWR along with supporting documentation
- Documentation may include:
 - Urban WM Plans
 - BMP reports to the CUWCC
 - Reports to DWR (on CUWCC format)
- Submit Table 3 if grant program provides funding for BMP implementation

AB 1420 Self-Certification Statement

Table 1

This Table documents what BMP's
have been Implemented & at What
Level

AB 1420 Self-Certification Statement

Table 2

This Table documents what BMP's
are being Implemented & at What
Level

AB 1420 Self-Certification Statement

Table 3

Applicant may request funds to implement BMPs, *Only* if Funding Agency provides such funds

Self-Certification Statement

By signing Table 1, the authorized representative certifies under penalty of perjury that all information and claims regarding compliance, implementation of the BMPs, and financing plans are true and accurate. The urban water supplier and its authorized representative understand that the information in Table 1 and the supporting documents are extremely important and must be true and accurate. Falsification or inaccuracies in Table 1 and in any supporting documents may, at the discretion of the Funding Agency, result in loss of all grant or loan funds to the applicant. Additionally, the Funding Agency may take legal action to recover any disbursed funds and refer the matter to the Attorney General's Office.

DWR will do the following:

- **Review Self-Certification Statement Tables 1 & 2 to determine whether the urban water supplier is eligible to receive grant or loan funds.**
 - The eligibility determination will be based on information provided in Tables 1 & 2.
 - DWR eligibility determination is subject to an audit of the supporting documents.
- **Review AB 1420 Compliance Table 3, if applicable.**
- **Inform the Funding Agency within 60 days of determination whether an urban water supplier is eligible to receive funding.**
 - DWR may also recommend that Tables 1 & 2 be included in the grant or loan funding agreement and a schedule for submittal of progress reports to the Funding Agency to ensure continued compliance;

DWR will do the following:

- May audit the supporting documents to verify if all the information provided in Table 1 is accurate and valid, and to verify continued compliance.
- May request additional information and documentation, including reports to substantiate the accuracy of the information being reviewed before issuing its audit findings,
- DWR will notify both the Funding Agency and the urban water supplier if it finds inaccuracies, discrepancies, or false statements to support claims made in Tables 1 & 2.

AB 1420 BMP Implementation Compliance

- Table 1 , Table 2, Table 3, and AB 1420 Compliance can be found:

<http://www.owue.water.ca.gov/finance/index.cfm>

- Tables 1 & 2 - all UWS applicants complete
- Table 3 - may be submitted only if the funding program allows funds to be used to implement BMPs and applicant requests such funds.

AB 1420 BMP Implementation Compliance

- Compliance tables and back-up documentation must be submitted when applying for a grant or loan.
- If conditions have changed, the Compliance Tables and back-up documents must be submitted each time the supplier applies for a specific grant or loan.
- Eligible projects include surface or groundwater storage, recycling, desalinization, water conservation, water supply reliability, or augmentation.

Failure to Implement BMPs and/or Alternative Conservation Approaches

Failure to implement BMPs and/or alternative conservation approaches as detailed in Table 1, Table 2, or Table 3, if applicable, may cause the Funding Agency, at its sole discretion, to halt disbursement of grant or loan funds, not pay any pending invoices, and pursue any other applicable legal remedy.

Website For Information

For AB 1420 Self-Certification Statement

Table 1, Table 2, Table 3 & other Compliance Documents visit:

www.owue.water.ca.gov/finance/index.cfm

Questions

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Questions?