

# **Proposal for Extending the Emergency Regulation on Urban Potable Water Use**

Office of Research, Planning, and Performance

May 18, 2016



# Background

- 5 Years of Severe Drought Conditions
- Ongoing Impacts to People and Nature
- Governor's November 13, 2015 Executive Order and February 2016 Emergency Regulation
- Governor's May 9, 2016 Executive Order



## Executive Order B-37-16

### **Four Major Action Areas:**

- **Use water more wisely**
  - Adjust emergency regulation through Jan. 2017
  - By Jan. 2017, prepare proposal to achieve a mandatory reduction in potable urban water usage
- **Eliminate water waste**
- **Strengthen local drought resilience**
- **Improve agricultural water use efficiency**



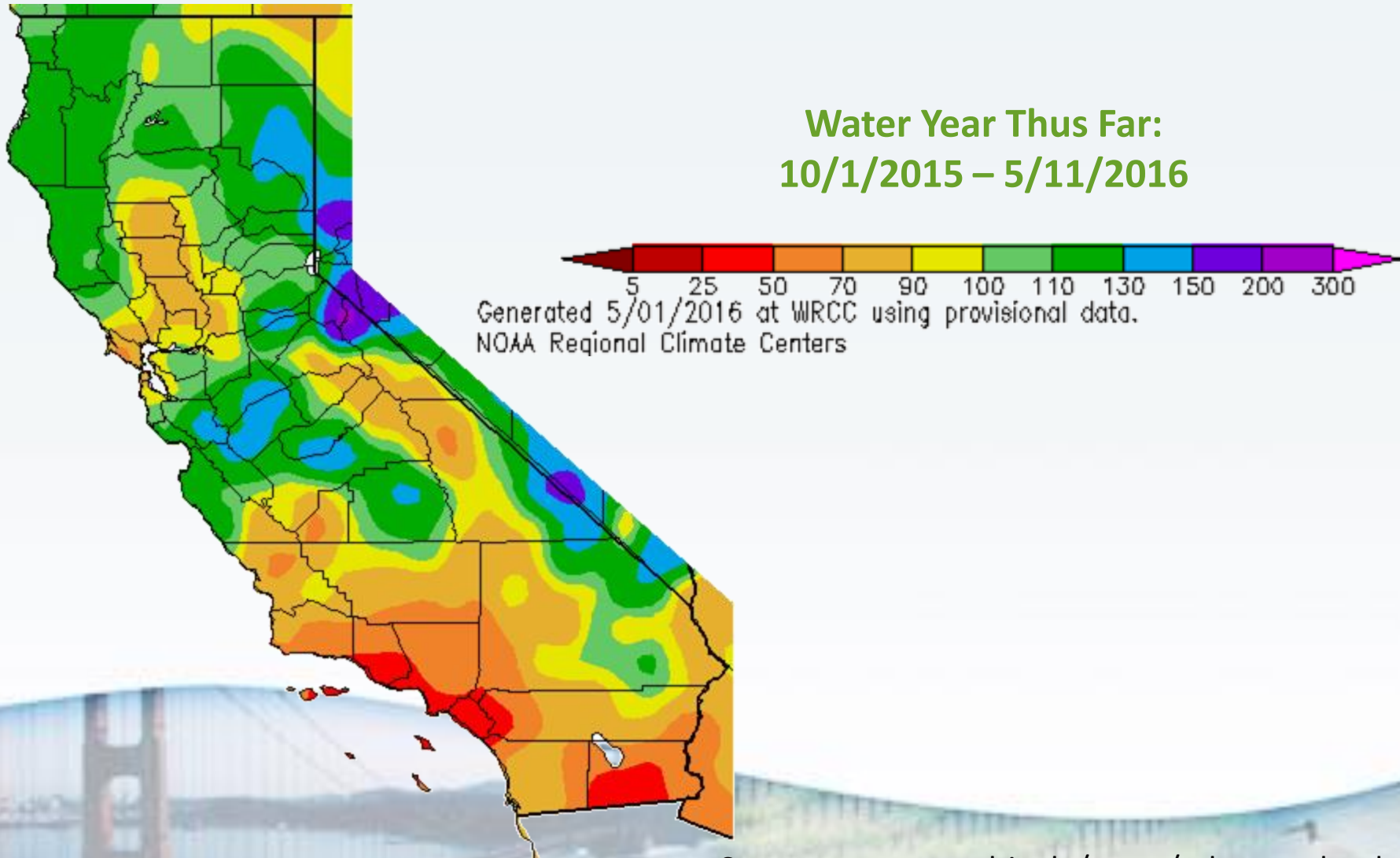
# Summary of Water Conditions

- **Water conditions for 2016**
  - Surface and groundwater storage still depleted in many areas
  - Snowpack below average for this date
  - High risk for wildfires
  - La Niña conditions projected



# Percent of Average Precipitation

Water Year Thus Far:  
10/1/2015 – 5/11/2016



# Reservoir Storage

(As of May 1, 2016)

Reservoir	Capacity Thousand Acre-Feet (TAF)	% Capacity	% Historic Average
Shasta	4,552	93	108
Oroville	3,538	96	118
Trinity Lake	2,448	61	74
New Melones	2,420	26	41
San Luis	2,039	47	52
Don Pedro	2,030	67	92
McClure (Exchequer)	1,024	47	79
Pine Flat	1,000	52	85
Folsom	977	85	113
Bullards Bar	966	91	115

100%

100%

# Timeline for Updating the Emergency Regulation

- **February 2, 2016:** Board adopts extended emergency regulation
- **April 20, 2016:** Public Workshop
- **May 9, 2016:** Executive Order B-37-16 and Staff proposed draft emergency regulation
- **May 18, 2016:** Board hearing
- **June 1, 2016:** Anticipated effective date



# Proposed Emergency Regulation and Key Changes

## 1. Conservation standards for Urban Water Suppliers

- Wholesalers provide data by June 15 (staff draft originally proposed June 8)
- Suppliers individually assess supply reliability to determine their conservation standard by June 22 (staff draft originally proposed June 15)
- Transparency of data and information

## 2. Prohibited water uses and other end-user requirements

## 3. Enforcement Provisions

## 4. Requirements for “self-supplied” Commercial, Industrial, and Institutional Users

## 5. Requirements for smaller suppliers

## 6. Reporting Requirements



# Proposed Modifications

## **New method to calculate Conservation Standard**

- Assess supply reliability considering three additional years of drought based on 2013-2015 hydrologic conditions
- Use 2013-2014 demand levels
- Set conservation standard commensurate with level of shortage at end of third year



# Example Calculation of Insufficient Supply

<b>Step 1: Determine Total Potable Water Demand (used in Step 3)</b>			
Potable Water Production in Calendar Year 2013			40 thousand acre-feet
Potable Water Production in Calendar Year 2014			30 thousand acre-feet
Total Potable Water Demand = $[(40 \text{ thousand acre-feet}) + (30 \text{ thousand acre-feet})] / 2$			35 thousand acre-feet
<b>Step 2: Calculate Total Potable Water Supply</b>			
Potable Water Supply	Water Yr 2017	Water Yr 2018	Water Yr 2019
Local Surface Water (thousand acre-feet)	10	9	8
Imported Water (thousand acre-feet)	10	9	8
Groundwater (thousand acre-feet)	20	18	16
Total Potable Water Supply (thousand acre-feet) = $[Local \text{ Surface Water}] + [Imported \text{ Water}] + [Groundwater]$	40	36	32
<b>Step 3: Calculate Conservation Standard</b>			
Total Potable Water Demand (from Step 1)	35		thousand acre-feet
Total Potable Water Supply in Year 3 (from Step 2)	32		thousand acre-feet
Supply Shortfall in Year 3 (negative amount indicates a surplus) = $[35 \text{ thousand acre feet}] - [32 \text{ thousand acre feet}]$	3		thousand acre-feet
<b>Conservation Standard with Self-Certification of Supply Reliability</b>			<b>0.09 or 9%</b>
$[Shortfall \text{ in Year 3}] / [Total \text{ Potable Water Demand}] = [3] / [35 \text{ thousand acre feet}]$			

## Proposed Modifications (continued)

- Continues some prohibitions:
  - Irrigation runoff into street, watering medians
  - Irrigation within 48 hours of rainfall
  - Washing cars without shutoff nozzle
  - Washing driveways/sidewalks
  - Non recirculating fountains
- Lifts requirements for eating and drinking establishments and hotels



## Other Proposed Modifications

- Definitions added: *Urban water wholesaler*, *Water year*
- 4% Tier: not needed with new conservation standard
- Self-supplied commercial, industrial and institutional properties: use conservation standard of nearest urban water supplier
- Small suppliers: Lifts compliance requirements, one report due December 15, 2016
- Expires in January 2017 instead of October 2016



# Compliance and Enforcement

- Compliance assessed monthly and cumulatively
- Enforcement tools include:
  - Information Orders
  - Conservation Orders
  - Cease and Desist Orders
- Alternate compliance process remains in effect



# Comments Received

- Most support “stress test” based approach
  - Concerns about supply assumptions
- Extend deadlines
  - June 15: wholesale information
  - June 22: retailer self-certification
- Allow late self-certifications in July to begin July 1
- Allow wholesalers to report available supplies in aggregate, as well as by individual retail customer



## Comments Received (continued)

- Water demand: Include 2015 in calculation (i.e., average demand for years 2013-2015)
- Base conservation standard on 1st year (2017) rather than end of 3<sup>rd</sup> year (2019)
- No minimum conservation standard “floor” vs all regions should have at least a 4% conservation standard



## Comments Received (continued)

- Retain prohibitions on hospitality industry
- Rural areas shouldn't have same end-user prohibitions
- Provide clarity of water years, calendar years and why are both used





# Response to Comments

- It is reasonable to slightly extend dates
  - June 15 for wholesale information
  - June 22 for large urban water retailers to self-certify
- Will update Technical Fact Sheet with additional clarity on “carryover”
- Need to avoid unnecessary process steps
- Important to be prepared should 2016 be a reprieve in a longer-term drought



# Fiscal Impact Analysis

- Comparison to level of conservation that would have occurred absent the emergency regulation
- Regulation as an insurance policy against continued drought conditions
- Water supplier revenue losses
  - Variable depending on rate structure
- Positive economic impacts



# Post Adoption Timeline

- Office of Administrative Law action in 10 days
  - Regulation becomes effective upon OAL approval
- Wholesaler supplier data due June 15, 2016
- Retailer supplier self-certification due June 22, 2016
- Change to Conservation Standards Effective June 1, 2016 (reported July 15, 2016)

