

## **Proposed alternative compliance pathway for existing low loss**

In response to stakeholder input, the State Water Board proposes that suppliers with existing low levels of real loss and reliable data be provided an alternative compliance option in lieu of the standard compliance pathway of the regulation, which includes reducing real loss for most suppliers and submitting additional data for all suppliers. Suppliers that qualify for this alternative compliance pathway would not be required to comply with additional data submission requirements (questionnaires), or any real loss reduction. These suppliers would instead only have to demonstrate that they meet the specified data quality requirements and that their real loss is maintained at or under the specified threshold level on a three-year average basis. The suppliers would first demonstrate meeting the low loss threshold and data quality requirements by January 1, 2023. Subsequently, the suppliers would demonstrate that their real loss is equal to or below the threshold on a three-year average basis beginning 2028.

The State Water Board proposes that the volumetric threshold for the alternative compliance pathway be set at 16 gallons per connection per day for suppliers reporting in gallons per connection per day and 1184 gallons per mile per day for suppliers reporting in gallons per mile per day. Suppliers at or below these thresholds that meet the data quality criteria will be eligible for this alternative compliance pathway. These threshold values represent the 20<sup>th</sup> percentile of real loss reported in audits from 2017 through 2019.

The State Water Board proposes that suppliers meet the criteria for data quality below to verify their real loss and qualify for the alternative compliance pathway:

1. The reported data in audits from 2017 to 2020 must not show a variability higher than 10 gallons per connection per day for suppliers reporting in gallons per connection per day or 740 gallons per mile per day for suppliers reporting in gallons per mile per day.
2. If a supplier has reported a negative value as “Current Annual Real Loss” in any of the 2017 through 2020 reported data provide the identified cause for the negative value and the steps taken to correct it.
3. 100% of the supplier’s volume from own sources, imported and exported water are metered.
4. If the volume from own sources is greater than 5% of the total water supplied, the supplier demonstrates that production meters measuring at least 95% of the total produced volume are tested for accuracy on at least an annual basis. Testing for accuracy means testing the primary flowmeter device and not merely calibrating the secondary electronic instrumentation.
5. If the imported volume is greater than 5% of the total water supplied, the supplier demonstrates that imported water meters measuring at least 95% of the total imported volume are calibrated for accuracy on at least an annual basis.

6. If the exported volume is greater than 5% of the total water supplied, the supplier demonstrates that exported water meters measuring at least 95% of the total exported volume are tested for accuracy on at least an annual basis. Testing for accuracy means testing the primary flowmeter device and not merely calibrating the secondary electronic instrumentation.
7. All customer accounts, excluding those measuring fire-flow, are metered, with at least 90% success rates in meter reading.
8. A statistically significant sample of customer meters as determined by the supplier, or 300 meters<sup>1</sup>, whichever is lower, is tested for accuracy annually.
9. If the unbilled metered volume is higher than 1% of the total water supplied, the supplier reads the meters for accounts that are supplied through unbilled metered water accounts at the same or greater frequency as the supplier reads the meters for the majority of customers.

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<sup>1</sup> A study by Water Systems Optimization, Inc. found that the confidence in meter accuracy does not increase significantly after testing 300 meters by testing a higher number of meters. This is based on a flow meter testing of 4400 meters, out of which 3900 were installed in California. Source: Kris Williams and Water Systems Optimization, Inc., Small Meter Accuracy – Using Test Data for Better Decision-making, Source Magazine – CA-NV AWWA, V32, N4, Fall 2018.