



May 10, 2022

The Honorable Rebecca Bauer-Kahan
 Chair, Assembly Water, Parks, and Wildlife Committee
 1020 N Street, Room 160
 Sacramento, CA 95814

RE: SB 1157 (Hertzberg) – Indoor Residential Water Use – OPPOSE UNLESS AMENDED

Dear Chair Bauer-Kahan:

The undersigned coalition is writing to respectfully express our position of oppose unless amended on SB 1157 (Hertzberg). This bill incorporates joint recommendations by the Department of Water Resources (DWR) and State Water Resources Control Board (State Water Board), which do not account for the adverse impacts or significant costs to which these revised standards will lead. This coalition is seeking amendments that would delay the implementation of a 2030 standard and require additional quantitative

analysis of a cost-effective and feasible standard for 2030 and beyond. These amendments are included as an attachment at the end of this letter.

AB 1668 (Friedman) and SB 606 (Hertzberg) were a package of bills signed in 2018 that called for the creation of new urban water use efficiency standards for indoor residential use, outdoor use, water loss, and variances for unique conditions. Many members of this coalition worked intently on this issue with all the interested parties, including legislators, staff, and other stakeholders, during the long negotiations on these bills in 2017-18.

A critical component in the outcome of these negotiations was that DWR would conduct studies and investigations to identify a standard for indoor residential water use that appropriately reflects best practices for indoor water use with broad input from all stakeholders. DWR and the State Water Board released their Final Report in November 2021. While a study was completed, the analysis of adverse impacts and other relevant information, including affordability and changing populations and patterns, were not quantitatively considered; nor did they inform the final recommendations.

The Final Report indicates that, on average, current indoor residential water use is 48 gallons per capita daily (GPCD). Given this finding, the recommended standard for 2025-2030 of 47 GPCD, which is included in SB 1157, seems close to existing statewide average water use. However, significantly, the Final Report largely relied on data from before the Covid-19 pandemic, and indicated that the pandemic led to a three to five GPCD increase. While outside the scope of the Final Report, the pandemic has fundamentally changed work, shifting some jobs remote, which will lead to increased residential GPCD. Given this new reality, many suppliers will need to make substantial investment to achieve the proposed 2025 standard.

The reduction to 42 GPCD in 2030, however, is significantly lower than current water use, especially when accounting for longer-term pandemic workforce changes, and there will be substantial negative impacts to water providers, sanitation agencies, and recycled water providers. In addition, the impacts to affordability are likely to be serious and detrimental.

The California Water Efficiency Partnership estimated during the regulatory process that the “the total anticipated cost range for reasonably complying with a 2030 standard in which all providers achieve a residential indoor per capita volume of 42 GPCD by 2030 is likely between \$2.8 and \$4.6 billion.” While the indoor residential water use standard is only one component of the overall water use objective, given the separately enforceable component of water loss, it is anticipated that public water agencies will need to make significant additional investments to reduce indoor residential use to meet the overall objective. Ultimately this substantial financial investment will only save 354,000 acre feet of water per year over the current 2030 standard – approximately half a percent of statewide water use.

In addition to these direct costs, there will be substantial secondary costs. The Final Report indicates that the adverse impacts to wastewater and recycled water providers could be significant. A few examples of potential impacts include increased sewer gas production, accelerated rate of corrosion of pipes and manholes, increased occurrences of sewer blockages and overflows, degradation of wastewater influent quality, and reductions in recycled water quantity. Mitigating these impacts will require considerable investment. For example, a City of San Diego Case Study on the Potential Impacts of Reduced Flows, revised in June 2018, found that significant reduced flows through 2035 would likely cost \$102 million just for the City of San Diego, in addition to impacts to environmental and social qualitative impacts.

The Legislature has repeatedly endorsed and asked for evidence-based decision making. While the Final Report has the appearance of evidence-based recommendations, additional analysis is necessary to truly understand the impacts of the 2030 standard. The Final Report itself acknowledges some of these shortcomings, stating that detailed saturation and end-use studies could better inform how much active and passive conservation is available and that the standards will have an unknown effect on affordability and the human right to water.

For these reasons, this coalition has serious concerns regarding the 2030 standard SB 1157 would implement and requests amendments that would require quantitative analysis of these impacts prior to the implementation of the 2030 standard. We urge the committee's consideration of these concerns and the coalition's proposed amendments during the Assembly Committee on Water, Parks, and Wildlife's consideration of this bill.

Sincerely,

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CC: The Honorable Robert Hertzberg
Members, Assembly Water, Parks and Wildlife Committee

SB 1157 – As Introduced 2/17/22
DRAFT Proposed Amendments – ~~Strikeout~~ and Underline

SECTION 1.

Section 10609.4 of the Water Code is amended to read:

10609.4.

(a) (1) Beginning January 1, 2023, and until January 1, 2025, the standard for indoor residential water use shall be 55 gallons per capita daily.

(2) Beginning January 1, 2025, and until January 1, 2030, the standard for indoor residential water use shall be 47 gallons per capita daily.

~~(3) Beginning January 1, 2030, the standard for indoor residential water use shall be 42 gallons per capita daily.~~

(3) The standard for indoor residential water use shall be no lower than (a)(2) until after the requirements of subdivision (b) are complete. -

(b) (1) The department shall conduct a study on the impact of the 2030 recommended standard in the report titled "Results of the Indoor Residential Water Use Study." A report on the results of the study shall be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2026.

(3) The study shall be done in collaboration and coordination with a technical advisory committee to be appointed by the director as follows:

(A) Two urban water provider representatives;

(B) Two wastewater provider representatives;

(C) Two recycled water provider representatives;

(D) Three nongovernmental organization representatives;

(E) A representative of a disadvantaged community or organization representing a disadvantaged community; and,

(F) Two academics with expertise in water efficiency and wastewater engineering.

(2) The department shall hold public meetings to provide updates and solicit input from stakeholders at least four times a year until the final report is made to the Legislature.

(3) The study must include the following components:

(A) (i) A quantitative analysis of the cost to meet the standard and the cost to mitigate the impacts of the standard, including: water delivery system flushing and treatment, stranded assets, and deterioration of water quality; water recycling and reuse impacts on influent quality and quantity and stranded assets; and impacts on wastewater systems including but not limited to increased sewer gas production, increased or accelerated corrosion of sewers, increased blockages and overflows, increased maintenance needed to avoid blockages and overflows, stranded assets, changes to influent quality, treatment plant efficacy, the need for treatment plant modifications to achieve continued compliance with permits and regulations.

(ii) The impacts of these costs on affordability of water and wastewater services.

(iii) An analysis of alternative investments that could be made to achieve water supply goals, including a quantitative analysis of cost per acre foot of water.

(C) A quantitative analysis of how much active and passive conservation is available utilizing saturation and end-use studies.

(D) An analysis of population data and water use projections through 2050, including updated population data from the 2020 United States Census, permanent shifts to telecommuting, and aging populations.

(4) The report shall include recommendations for establishing a cost-effective, feasible indoor residential water use standard for 2030. The recommendation may not be lower than the recommendation in the report titled "Results of the Indoor Residential Water Use Study." The report shall identify an estimate of the costs to comply with any recommended standard and an analysis of who would bear the costs and how much time would be needed to avoid or address the impacts of implementation of the recommended standard.

(c) Public meetings held pursuant to this section shall not be subject to the Bagley Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

~~(b) (1) The department, in coordination with the board, shall conduct necessary studies and investigations and may jointly recommend to the Legislature a standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the standard described in subdivision (a). A report on the results of the studies and investigations shall be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2021, and shall include information necessary to support the recommended standard, if there is one. The studies and investigations shall also include an analysis of the benefits and impacts of how the changing standard for indoor residential water use will impact water and wastewater management, including potable water usage, wastewater, recycling and reuse systems, infrastructure, operations, and supplies.~~

~~(2) The studies, investigations, and report described in paragraph (1) shall include collaboration with, and input from, a broad group of stakeholders, including, but not limited to, environmental groups, experts in indoor plumbing, and water, wastewater, and recycled water agencies.~~