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AB-755 Water: public entity: water usage demand analysis. (2023-2024)

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Assembly Bill No. 755

CHAPTER 542

An act to add Chapter 3.8 (commencing with Section 390) to Division 1 of the Water Code, relating to water.

[Approved by Governor October 08, 2023. Filed with Secretary of State October 08, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 755, Papan. Water: public entity: water usage demand analysis.

Existing law authorizes a public entity that supplies water at retail or wholesale within its service area to adopt, in accordance with specified procedures, and enforce a water conservation program.

This bill would require a public entity, as defined, to conduct a water usage demand analysis, as defined, prior to completing, or as part of, a cost-of-service analysis conducted to set fees and charges for water service that are consistent with applicable law. The bill would require a public entity to identify, within the water usage demand analysis, the costs of water service for the highest users, as defined, incurred by the public entity, and the average annual volume of water delivered to high water users. The bill would also require the costs of water service for the highest users and the average annual volume of water delivered to high water users to be made publicly available by posting the information in the public entity's cost-of-service analysis. By requiring a higher level of service of public entities, the bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 3.8 (commencing with Section 390) is added to Division 1 of the Water Code, to read:

CHAPTER 3.8. Cost-of-Service Analysis

390. For purposes of this chapter, the following terms have the following meanings:

(a) "Costs of water service for the highest users" means the difference in costs, including applicable capital costs and operation and maintenance costs, that the public entity incurs directly, or by contract, as a result of the increased water service required by its high water users. "Costs of water service for the highest users" may be reported by customer class, rate classification, or cumulatively, and may include any of the following:

(1) Conservation best management practices, conservation education, irrigation controls and other conservation devices, and other demand management measures.

(2) Water system retrofitting, dual plumbing and facilities for production, distribution, and all uses of recycled water and other alternative water supplies.

(3) Projects and programs for the prevention, control, or treatment of the runoff of water from irrigation and other outdoor water uses. Incremental costs do not include the costs of stormwater management systems and programs.

(4) Securing dry year water supplies.

(5) Procuring water supplies, including supply or capacity contracts for water supply rights or entitlements.

(6) Energy costs for water delivery.

(b) "High water users" means the top 10 percent of water, in terms of volume of water consumed. Alternatively, for a public entity that has allocation-based conservation water pricing pursuant to Section 372, the public entity may define high water users as those customers whose water use is above the water budget assigned to them by that public entity.

(c) "Public entity" means a city, whether general law or chartered, county, city and county, special district, agency, authority, any other municipal public corporation or district, or any other political subdivision of the state that provides retail water service and that is an urban water supplier, as defined in Section 10617.

(d) "Water usage demand analysis" means an analysis conducted to determine water usage patterns and demands placed on a water system operated by a public entity.

390.1. (a) A public entity shall conduct a water usage demand analysis prior to completing, or as a part of, a cost-of-service analysis conducted to set fees and charges for water service that are consistent with Section 6 of Article XIII D of the California Constitution and other applicable law. Within the water usage demand analysis, a public entity shall identify both of the following:

(1) The costs of water service for the highest users incurred by the public entity.

(2) The average annual volume of water delivered to high water users.

(b) The costs of water service and the average annual volume identified in paragraphs (1) and (2) of subdivision (a) shall be made publicly available by posting the information in the public entity's cost-of-service analysis.

SEC. 2. The Legislature finds and declares that water conservation is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Section 1 of this act adding Section 390.1 to the Water Code applies to all cities, including charter cities.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.