

AMENDED IN ASSEMBLY APRIL 8, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2175

Introduced by Assembly Members Laird and Feuer
(Coauthor: Assembly Member Wolk)

February 20, 2008

An act to *amend Section 10631.5 of, and to add Part 2.55* (commencing with Section 10608) to Division 6 of, the Water Code, relating to water conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2175, as amended, Laird. Water conservation.

Existing

(1) Existing law requires the Department of Water Resources to convene an independent technical panel to provide information to the department and the Legislature on new demand management measures, technologies, and approaches. "Demand management measures" means those water conservation measures, programs, and incentives that prevent the waste of water and promote the reasonable and efficient use and reuse of available supplies.

This bill would require the department to establish a statewide target to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. By December 31, 2020, each urban water supplier would be required to reduce its per capita water use by 20%, except as provided. By December 31, 2010, and not less than every 5 years thereafter, the department would be required to establish and make available to the public a list of technically feasible urban water conservation measures available to assist urban water suppliers in meeting this requirement.

The bill would require the department, by December 31, 2009, to establish a statewide numeric water conservation target for agricultural water use that provides for a significant increase in agricultural water conservation in California. By December 31, 2010, and every 5 years thereafter, the department would be required to establish and make available to the public a list of agricultural water conservation practices available to meet the target. By December 31, 2012, each agricultural water supplier would be required to adopt numeric water conservation targets to be achieved by December 31, 2015, and December 31, 2020.

~~This bill would require the department to establish a numeric water conservation target for the state, initially for 2030, that provides for the maximum feasible and cost-effective increase in water conservation. The department would be required, on or before December 31, 2012, and not less than every 5 years thereafter, to review and increase that water conservation target based on specified information. The department would be required to establish interim urban and agricultural water conservation targets for each hydrologic region of the state.~~

~~The department would be required to establish and make available to the public, on or before December 31, 2010, and every 5 years thereafter, a list of technically feasible urban water conservation measures. Urban water suppliers would be required to adopt those water conservation measures that are locally cost effective or to implement alternative measures that achieve equal or greater water savings.~~

~~The department would be required to establish and make available to the public, on or before December 31, 2012, and every 5 years thereafter, a list of efficient agricultural water management practices. Agricultural water suppliers would be required to adopt those water management practices that are technically feasible and cost effective for the local area or to implement alternative measures that achieve equal or greater water savings.~~

~~The bill would authorize the department to require additional water conservation measures or water management practices *adopt a plan of action to meet the state targets described above* under certain circumstances. The bill would make related legislative findings and declarations and a *statement statements* of legislative intent.~~

~~(2) *Existing law makes the terms of, and eligibility for, a water management grant or loan made to an urban water supplier and awarded or administered by the department, state board, or California Bay-Delta Authority or its successor agency conditioned on the implementation of specified water demand management measures.*~~

This bill would make this provision only apply until December 31, 2012, and beginning January 1, 2013, would instead condition these grants or loans made to urban or agricultural water suppliers on the implementation of the requirements of paragraph (1), above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 2.55 (commencing with Section 10608) is
2 added to Division 6 of the Water Code, to read:

3

4 PART 2.55. WATER CONSERVATION

5

6 CHAPTER 1. GENERAL DECLARATIONS AND POLICY

7

8 10608. The Legislature finds and declares all of the following:

9 (a) Water is a public trust resource in California that should be
10 protected against waste and unreasonable use.

11 (b) Growing population, climate change, and the need to protect
12 California’s fish and wildlife make it essential that the state manage
13 its water resources as efficiently as possible.

14 (c) *In 2000, total water use in California was approximately*
15 *83 million acre-feet per year, based on an average water year.*
16 *This total water use consists of urban water use in the amount of*
17 *9 million acre-feet, agricultural water use in the amount of 34*
18 *million acre-feet, and environmental water use in the amount of*
19 *40 million acre-feet.*

20 ~~(e)~~

21 (d) Reduced water use through conservation provides significant
22 energy and environmental benefits, can help protect water quality,
23 and reduces greenhouse gas emissions.

24 ~~(d)~~

25 (e) Improvements in technology and management practices
26 offer the potential for increasing water conservation in California
27 over time, providing an essential water management tool to meet
28 the need for water for urban, agricultural, and environmental uses.

29 ~~(e) The California Water Plan projects that urban water~~
30 ~~conservation can reduce water demand by between 2 and 3 million~~
31 ~~acre-feet of water per year by the year 2030 through feasible and~~

1 ~~cost-effective measures. The plan also projects that agricultural~~
 2 ~~water conservation has the potential to provide up to 1 million~~
 3 ~~acre-feet of water per year by 2030 in additional water savings.~~

4 *(f) The California Water Plan, updated in 2005, includes*
 5 *planning scenarios that indicate that by 2030 urban water*
 6 *conservation can reduce water demand by up to 3.1 million*
 7 *acre-feet per year and agricultural water conservation can reduce*
 8 *net water use by up to 800,000 acre-feet of water per year.*

9 *(g) The Governor has called for a 20 percent per capita*
 10 *reduction in urban water use statewide by 2020.*

11 10608.1. It is the intent of the Legislature, by the enactment
 12 of this part, to require all water suppliers to identify, adopt, and
 13 ~~implement the maximum feasible and cost-effective~~ water
 14 conservation measures to avoid waste and unreasonable use of this
 15 essential resource.

16
 17 CHAPTER 2. DEFINITIONS
 18

19 10608.2. The following definitions apply to this part:

20 *(a) “Base per capita water use” means the average of three*
 21 *water years, which include a normal, dry, and wet water year, as*
 22 *identified by the department and which most accurately reflects*
 23 *current water use in 2009.*

24 *(b) “High per capita water use” means water use in an urban*
 25 *water supplier’s service area that is ____ gallons per capita per*
 26 *day or higher.*

27 ~~(a)~~
 28 *(c) “Locally cost effective” means that the present value of the*
 29 *local benefits of implementing a water conservation measure are*
 30 *greater than or equal to the present value of the local costs of*
 31 *implementing that measure.*

32 *(d) “Low per capita water use” means water use in an urban*
 33 *water supplier’s service area that is ____ gallons per capita per*
 34 *day or lower.*

35 *(e) “Per capita water use” means the daily per person urban*
 36 *water use, which includes residential, municipal, industrial, and*
 37 *commercial water use and system water losses.*

38 ~~(b)~~

1 (f) “Water conservation” means those measures, programs, and
2 incentives that result in reduced demand, prevent the waste of
3 water, and promote the efficient use of available supplies.

4 (e)

5 (g) Except as otherwise indicated, “water supplier” includes
6 both of the following:

7 (1) An urban water supplier, as defined in Section 10617.

8 (2) An agricultural water supplier, as defined in subdivision (b)
9 of Section 531.

10
11 CHAPTER 3. WATER CONSERVATION TARGETS
12

13 ~~10608.4. (a) The department shall establish a numeric water~~
14 ~~conservation target for California that provides for the maximum~~
15 ~~feasible and cost-effective increase in water conservation. The~~
16 ~~initial target shall be for the year 2030 and shall be not less than~~
17 ~~a 3 million acre-feet of water reduction from current projected~~
18 ~~demand in the absence of additional urban water conservation~~
19 ~~measures and agricultural water management practices.~~

20 ~~(b) On or before December 31, 2012, and not less than every~~
21 ~~five years thereafter, the department shall review and may increase~~
22 ~~the water conservation target, based on consideration of all relevant~~
23 ~~information, including, but not limited to, estimates of maximum~~
24 ~~feasible and locally cost-effective water conservation potential~~
25 ~~determined pursuant to Sections 10608.8 and 10608.10.~~

26 ~~10608.6. On or before December 31, 2012, the department~~
27 ~~shall establish interim urban and agricultural water conservation~~
28 ~~targets for the years 2015, 2020, and 2025, and every five years~~
29 ~~thereafter, based on the information identified pursuant to Section~~
30 ~~10608.4, for each hydrologic region of the state, that reflect the~~
31 ~~unique conditions of each region and include consideration of~~
32 ~~relative per capita water consumption, agricultural economics, and~~
33 ~~conservation and water use efficiency measures adopted prior to~~
34 ~~the establishment of state and regional water conservation targets.~~
35 ~~The regional targets shall be designed to cumulatively achieve the~~
36 ~~statewide water conservation target established and updated~~
37 ~~pursuant to Section 10608.4.~~

38 ~~10608.8. (a) On or before December 31, 2010, and every five~~
39 ~~years thereafter, the department shall establish and make available~~
40 ~~to the public a list of technically feasible urban water conservation~~

1 ~~measures available to meet the urban water conservation targets~~
2 ~~established pursuant to Sections 10608.4 and 10608.6. In~~
3 ~~developing the list, the department shall consider all relevant~~
4 ~~information, including, but not limited to, information provided~~
5 ~~by the independent technical panel established pursuant to Section~~
6 ~~10631.7.~~

7 ~~(b) On or before December 31, 2012, and every five years~~
8 ~~thereafter, an urban water supplier shall either adopt those water~~
9 ~~conservation measures identified in subdivision (a) that are locally~~
10 ~~cost effective, or implement alternative measures that achieve~~
11 ~~equal or greater water savings. An urban water supplier shall adopt~~
12 ~~a numeric water conservation target, based on the proposed water~~
13 ~~conservation measures, for 2012 and every five years thereafter.~~
14 ~~An urban water supplier shall submit documentation indicating~~
15 ~~that a water conservation measure is not locally cost effective, as~~
16 ~~applicable.~~

17 ~~(c) On or before December 31, 2014, and every two years~~
18 ~~thereafter, an urban water supplier shall submit a report to the~~
19 ~~department, confirmed by independent evaluation, that identifies~~
20 ~~the basis for its adopted water conservation target and its progress~~
21 ~~in reaching the target.~~

22 ~~(d) Based on its review of the report submitted pursuant to~~
23 ~~subdivision (c) and the related independent evaluation, the~~
24 ~~department may require additional water conservation measures~~
25 ~~if the department determines the proposed target is not consistent~~
26 ~~with subdivision (a) or there is insufficient progress in meeting~~
27 ~~the target.~~

28 ~~10608.10. (a) On or before December 31, 2012, and every five~~
29 ~~years thereafter, the department shall establish and make available~~
30 ~~to the public a list of efficient agricultural water management~~
31 ~~practices available to meet the agricultural water conservation~~
32 ~~targets established pursuant to Sections 10608.4 and 10608.6.~~

33 ~~(b) On or before December 31, 2015, and every five years~~
34 ~~thereafter, an agricultural water supplier shall either adopt those~~
35 ~~water management practices established pursuant to subdivision~~
36 ~~(a) that are both technically feasible and cost effective for the local~~
37 ~~area, or implement alternative measures that achieve equal or~~
38 ~~greater water savings. An agricultural water supplier shall adopt~~
39 ~~a numeric water conservation target, based on the proposed water~~
40 ~~management practices, for 2015 and every five years thereafter.~~

1 ~~An agricultural water supplier shall submit documentation~~
2 ~~indicating that a water management practice is not locally feasible~~
3 ~~or not locally cost effective, as applicable.~~

4 ~~(e) On or before December 31, 2015, and every five years~~
5 ~~thereafter, an agricultural water supplier shall submit a report to~~
6 ~~the department, confirmed by independent evaluation, that~~
7 ~~identifies the basis of its adopted water conservation target and its~~
8 ~~progress in reaching the target.~~

9 ~~(d) Based on its review of the report submitted pursuant to~~
10 ~~subdivision (c) and the related independent evaluation, the~~
11 ~~department may require additional water management practices if~~
12 ~~the department determines the proposed target is not consistent~~
13 ~~with subdivision (a) or there is insufficient progress in meeting~~
14 ~~the target.~~

15 ~~10608.12. To the extent that the aggregate of the water~~
16 ~~conservation targets established pursuant to Sections 10608.8 and~~
17 ~~10608.10 does not meet the state targets identified in Sections~~
18 ~~10608.4 and 10608.6, the department shall propose and adopt a~~
19 ~~plan of action to meet the state targets. This plan shall specify the~~
20 ~~increased levels of water conservation that need to be implemented~~
21 ~~at the state and local level, in addition to the locally cost-effective~~
22 ~~water conservation measures or water management practices~~
23 ~~proposed pursuant to Section 10608.8 or 10608.10.~~

24 ~~10608.14. Water suppliers may comply with Sections 10608.8~~
25 ~~and 10608.10 individually or regionally and the requirements may~~
26 ~~be met through the submission of an urban water management~~
27 ~~plan or agricultural water management plan that is consistent with~~
28 ~~this part.~~

29 *10608.4. (a) The department shall establish a statewide target*
30 *to achieve a 20 percent reduction in urban per capita water use*
31 *in California on or before December 31, 2020.*

32 *(b) On or before December 31, 2013, and not less than every*
33 *five years thereafter, the department shall include in the update*
34 *of the California Water Plan pursuant to Section 10004, a status*
35 *report on the progress in meeting the statewide target established*
36 *by subdivision (a).*

37 *(c) To the extent that the statewide target is not achieved on or*
38 *before December 31, 2020, the department shall propose and adopt*
39 *a plan of action to meet the statewide target. This plan shall specify*
40 *the increased levels of water conservation that need to be*

1 *implemented at the state and local levels. This increased level of*
2 *conservation shall be supported by state funding or federal funding,*
3 *if provided, because of the broad public benefits.*

4 *10608.6. (a) On or before December 31, 2020, each urban*
5 *water supplier shall reduce its per capita water use by 20 percent,*
6 *except as otherwise provided in subdivision (b). The 20 percent*
7 *reduction shall be applied against the base per capita water use*
8 *of the urban water supplier. Each urban water supplier shall make*
9 *incremental progress by reducing per capita water use by at least*
10 *5 percent on or before December 31, 2012, and by 10 percent on*
11 *or before December 31, 2015.*

12 *(b) The department and the state board shall develop criteria*
13 *to create both of the following:*

14 *(1) Alternative conservation targets, less than the 20 percent*
15 *reduction required by subdivision (a), to be applied to urban water*
16 *suppliers that have and maintain low per capita water use.*

17 *(2) Additional conservation targets, beyond the 20 percent*
18 *reduction required by subdivision (a), to be applied to urban water*
19 *suppliers that have high per capita water use.*

20 *10608.8. (a) On or before December 31, 2010, and every two*
21 *years thereafter, an urban water supplier shall report to the*
22 *department and the state board, using a standardized form*
23 *developed by the department, all of the following information:*

24 *(1) Base per capita water use.*

25 *(2) Current per capita water use.*

26 *(3) Current population served by the urban water supplier.*

27 *(4) Acre-foot water savings attributed to the per capita water*
28 *use reductions.*

29 *(b) On or before December 31, 2010, and not less than every*
30 *five years thereafter, the department shall establish and make*
31 *available to the public a list of technically feasible urban water*
32 *conservation measures available to assist urban water suppliers*
33 *in meeting the requirements of Section 10608.6. In developing the*
34 *list, the department shall consult with the California Urban Water*
35 *Conservation Council and consider all relevant information,*
36 *including, but not limited to, information provided by the*
37 *independent technical panel established pursuant to Section*
38 *10631.7.*

39 *(c) Based on its review of the information submitted pursuant*
40 *to subdivision (a), the department may require urban water*

1 *suppliers to adopt specific water conservation measures if the*
2 *reductions required by Section 10608.6 are not achieved.*

3 *10608.10. (a) On or before December 31, 2009, the department*
4 *shall establish a statewide numeric water conservation target for*
5 *agricultural water use that provides for a significant increase in*
6 *agricultural water conservation in California. The initial target*
7 *shall be for December 31, 2020, and shall be not less than 500,000*
8 *acre-feet of net water reduction from projected demand in the*
9 *absence of additional agricultural water conservation practices,*
10 *not otherwise attributed to land use changes. On or before*
11 *December 31, 2012, and not less than every five years thereafter,*
12 *the department shall review and may increase the water*
13 *conservation target, based on consideration of all relevant*
14 *information including, but not limited to, information received*
15 *pursuant to this section.*

16 *(b) On or before December 31, 2010, and every five years*
17 *thereafter, the department shall establish and make available to*
18 *the public a list of agricultural water conservation practices*
19 *available to meet the target established pursuant to subdivision*
20 *(a). In developing the list, the department shall consult with the*
21 *Agricultural Water Management Council.*

22 *(c) On or before December 31, 2012, each agricultural water*
23 *supplier shall adopt numeric water conservation targets to be*
24 *achieved by December 31, 2015, and December 31, 2020, and*
25 *report to the department on those targets. An agricultural water*
26 *supplier shall review and update the targets every five years*
27 *thereafter. The target shall be based on reductions that can be*
28 *achieved by either implementation of those water management*
29 *practices established pursuant to subdivision (b) that are both*
30 *technically feasible and locally cost effective, or implementation*
31 *of alternative measures that achieve equal or greater water*
32 *savings.*

33 *(d) On or before December 31, 2015, and every five years*
34 *thereafter, an agricultural water supplier shall submit a report to*
35 *the department, confirmed by independent evaluation, that*
36 *identifies the basis of its adopted water conservation targets and*
37 *its progress in reaching the targets. If an agricultural water*
38 *supplier determines that a water conservation practice identified*
39 *in subdivision (b) is not locally cost effective or technically feasible,*

1 *the supplier shall submit information documenting that*
2 *determination.*

3 *(e) Based on its review of the report submitted pursuant to*
4 *subdivision (d) and the related independent evaluation and other*
5 *relevant information, the department may require an agricultural*
6 *water supplier to revise its targets if the department determines*
7 *the proposed targets are not consistent with this part, or to adopt*
8 *additional water management practices, if there is insufficient*
9 *progress in meeting the targets.*

10 *10608.12. To the extent that the aggregate of the agricultural*
11 *water conservation targets established by agricultural water*
12 *suppliers pursuant to subdivision (c) of Section 10608.10 do not*
13 *meet the statewide target established pursuant to subdivision (a)*
14 *of Section 10608.10, the department shall propose and adopt a*
15 *plan of action to meet the statewide target. This plan shall specify*
16 *the increased levels of water conservation that need to be*
17 *implemented at the state and local levels, in addition to the locally*
18 *cost effective water conservation measures or water management*
19 *practices proposed pursuant to 10608.10. This increased level of*
20 *conservation shall be supported by state funding or federal funding,*
21 *if provided, because of the broad public benefits.*

22 *10608.14. (a) Water suppliers may comply with this part*
23 *individually or regionally.*

24 *(b) Agricultural water supplier reporting requirements may be*
25 *met through the submission of an agricultural water management*
26 *plan developed for the Agricultural Water Management Council*
27 *or the United States Bureau of Reclamation that is consistent with*
28 *this part.*

29 *10608.16. (a) The department shall develop methodologies*
30 *and guidelines as necessary to implement this part.*

31 *(b) All state water conservation targets, methodologies, and*
32 *guidelines, and lists of feasible water conservation measures or*
33 *water management practices established pursuant to this part, shall*
34 *be established only after the department, or at the department's*
35 *request, the California Water Commission, conducts a series of*
36 *public hearings and workshops to allow participation of the diverse*
37 *geographical areas and interest of the state.*

38 *10608.17. Beginning January 1, 2013, the terms of, and*
39 *eligibility for, a water management grant or loan made to urban*
40 *or agricultural water suppliers and awarded or administered by*

1 *the department, state board, or California Bay-Delta Authority or*
2 *its successor agency shall be conditioned on the implementation*
3 *of this part.*

4 10608.18. (a) The Legislature hereby finds and declares that
5 the development, adoption, and implementation of water
6 conservation targets as provided in this part is an issue of statewide
7 significance that is critical to the effective implementation of
8 integrated regional water management in California.

9 (b) It is the intent of the Legislature that funds made available
10 by Section 75026 of the Public Resources Code should be
11 expended, consistent with Division 43 (commencing with Section
12 75001) of the Public Resources Code and upon appropriation by
13 the Legislature, for grants ~~and direct expenditures~~ to implement
14 this part. *In the allocation of funding, it is the intent of the*
15 *Legislature that the department give consideration to*
16 *disadvantaged communities to assist in implementing the*
17 *requirements of this part.*

18 (c) *It is the intent of the Legislature that funds made available*
19 *by Section 75041 of the Public Resources Code should be*
20 *expended, consistent with Division 43 (commencing with Section*
21 *75001) of the Public Resources Code and upon appropriation by*
22 *the Legislature, for direct expenditures to implement this part.*

23 SEC. 2. Section 10631.5 of the Water Code is amended to read:

24 10631.5. (a) (1) Beginning January 1, 2009, until December
25 31, 2012, the terms of, and eligibility for, a water management
26 grant or loan made to an urban water supplier and awarded or
27 administered by the department, state board, or California
28 Bay-Delta Authority or its successor agency shall be conditioned
29 on the implementation of the water demand management measures
30 described in Section 10631, as determined by the department
31 pursuant to subdivision (b).

32 (2) For the purposes of this section, water management grants
33 and loans include funding for programs and projects for surface
34 water or groundwater storage, recycling, desalination, water
35 conservation, water supply reliability, and water supply
36 augmentation. This funding includes, but is not limited to, funds
37 made available pursuant to Section 75026 of the Public Resources
38 Code.

39 (3) Notwithstanding paragraph (1), the department shall
40 determine that an urban water supplier is eligible for a water

1 management grant or loan even though the supplier is not
2 implementing all of the water demand management measures
3 described in Section 10631, if the urban water supplier has
4 submitted to the department for approval a schedule, financing
5 plan, and budget, to be included in the grant or loan agreement,
6 for implementation of the water demand management measures.
7 The supplier may request grant or loan funds to implement the
8 water demand management measures to the extent the request is
9 consistent with the eligibility requirements applicable to the water
10 management funds.

11 (4) (A) Notwithstanding paragraph (1), the department shall
12 determine that an urban water supplier is eligible for a water
13 management grant or loan even though the supplier is not
14 implementing all of the water demand management measures
15 described in Section 10631, if an urban water supplier submits to
16 the department for approval documentation demonstrating that a
17 water demand management measure is not locally cost effective.
18 If the department determines that the documentation submitted by
19 the urban water supplier fails to demonstrate that a water demand
20 management measure is not locally cost effective, the department
21 shall notify the urban water supplier and the agency administering
22 the grant or loan program within 120 days that the documentation
23 does not satisfy the requirements for an exemption, and include
24 in that notification a detailed statement to support the
25 determination.

26 (B) For purposes of this paragraph, “not locally cost effective”
27 means that the present value of the local benefits of implementing
28 a water demand management measure is less than the present value
29 of the local costs of implementing that measure.

30 (b) (1) The department, in consultation with the state board and
31 the California Bay-Delta Authority or its successor agency, and
32 after soliciting public comment regarding eligibility requirements,
33 shall develop eligibility requirements to implement the requirement
34 of paragraph (1) of subdivision (a). In establishing these eligibility
35 requirements, the department shall do both of the following:

36 (A) Consider the conservation measures described in the
37 Memorandum of Understanding Regarding Urban Water
38 Conservation in California, and alternative conservation approaches
39 that provide equal or greater water savings.

1 (B) Recognize the different legal, technical, fiscal, and practical
2 roles and responsibilities of wholesale water suppliers and retail
3 water suppliers.

4 (2) (A) For the purposes of this section, the department shall
5 determine whether an urban water supplier is implementing all of
6 the water demand management measures described in Section
7 10631 based on either, or a combination, of the following:

8 (i) Compliance on an individual basis.

9 (ii) Compliance on a regional basis. Regional compliance shall
10 require participation in a regional conservation program consisting
11 of two or more urban water suppliers that achieves the level of
12 conservation or water efficiency savings equivalent to the amount
13 of conservation or savings achieved if each of the participating
14 urban water suppliers implemented the water demand management
15 measures. The urban water supplier administering the regional
16 program shall provide participating urban water suppliers and the
17 department with data to demonstrate that the regional program is
18 consistent with this clause. The department shall review the data
19 to determine whether the urban water suppliers in the regional
20 program are meeting the eligibility requirements.

21 (B) The department may require additional information for any
22 determination pursuant to this section.

23 (3) The department shall not deny eligibility to an urban water
24 supplier in compliance with the requirements of this section that
25 is participating in a multiagency water project, or an integrated
26 regional water management plan, developed pursuant to Section
27 75026 of the Public Resources Code, solely on the basis that one
28 or more of the agencies participating in the project or plan is not
29 implementing all of the water demand management measures
30 described in Section 10631.

31 (c) In establishing guidelines pursuant to the specific funding
32 authorization for any water management grant or loan program
33 subject to this section, the agency administering the grant or loan
34 program shall include in the guidelines the eligibility requirements
35 developed by the department pursuant to subdivision (b).

36 (d) Upon receipt of a water management grant or loan
37 application by an agency administering a grant and loan program
38 subject to this section, the agency shall request an eligibility
39 determination from the department with respect to the requirements

1 of this section. The department shall respond to the request within
2 60 days of the request.

3 (e) The urban water supplier may submit to the department
4 copies of its annual reports and other relevant documents to assist
5 the department in determining whether the urban water supplier
6 is implementing or scheduling the implementation of water demand
7 management activities. In addition, for urban water suppliers that
8 are signatories to the Memorandum of Understanding Regarding
9 Urban Water Conservation in California and submit biennial reports
10 to the California Urban Water Conservation Council in accordance
11 with the memorandum, the department may use these reports to
12 assist in tracking the implementation of water demand management
13 measures.

O