



# Fact Sheet

## Alternative Compliance Pathways

### Background

In order to comply with the Making Conservation a California Way of Life regulation (Cal. Code Regs., tit. 23, § 965 et seq.), urban retail water suppliers generally must meet an urban water use objective (UWUO), which is a supplier-specific volume of water calculated annually using water efficiency standards and unique parameters that reflect the previous year's conditions. The standards gradually become more efficient until July 1<sup>st</sup>, 2040.

### What is Alternative Compliance?

As these standards become more efficient, suppliers may need to reduce water use to maintain or come into compliance with their UWUO. Suppliers requiring larger reductions in water use to meet their 2040 UWUO may be eligible for alternative pathways to compliance. The regulation makes available two alternative compliance pathways for suppliers that would otherwise need to reduce their water use by either 20% or more or 30% or more, depending on the pathway, to meet their 2040 UWUO. These suppliers would instead need to reduce per capita annual water use by a certain percentage and create a plan to achieve their UWUO by 2040. Depending on the alternative compliance pathway that applies, they may also need to verify their adherence to the American Water Works Association (AWWA) G480-20 Water Conservation and Efficiency Program Operation and Management standard.

The following graphic summarizes both the eligibility thresholds and requirements for the two alternative compliance pathways allowed for in the regulation, the **Income-Based 20% Pathway** and the **30% Pathway**.

	Eligibility Thresholds		Required Effort	Result
20% Pathway	If the income of the population served is less than CA median household income...	... and compliance with the 2040 objective would result in a 20% or greater reduction in water use	Then the supplier can: 1. Reduce per capita water use by ≥ 1% per year <b>AND</b> 2. Create a plan to achieve its urban water use objective	<b>And still be deemed in compliance with the objective</b>
30% Pathway	If compliance with the 2040 objective would result in a 30% or greater reduction in water use		Then the supplier can: 1. Reduce per capita water use by ≥ 2% per year <b>AND</b> 2. Verify adherence to G480 standard* <b>AND</b> 3. Create a plan to achieve its urban water use objective	

\*American Water Works Association G480-20 Water Conservation and Efficiency Program Operation and Management Standard (published February 1, 2021)



## Who is eligible for Alternative Compliance?

A supplier is eligible for the **Income-Based 20% Pathway** described in California Code of Regulations, title 23, section 966, subdivision (i) if:

- **The median household income of the supplier's service area is equal to or less than the median household income of California.** Median household income is averaged for the three years prior to when the supplier asserts compliance via an alternative pathway.
- **The supplier needs to reduce its water usage by 20% or more to meet its 2040 objective.** The baseline water usage used when determining eligibility is the supplier's average annual water use for the state fiscal years ending in 2024, 2025, and 2026.

A supplier is eligible for the **30% Pathway** described in section 966, subdivision (j) if:

- **The supplier needs to reduce its water usage by 30% or more to meet its 2040 objective.** The baseline water usage used when determining eligibility is the supplier's average annual water use for the state fiscal years ending in 2024, 2025, and 2026.

## What effort is required for suppliers to be considered in compliance via Alternative Compliance?

A supplier is considered in compliance with its UWUO via the **Income-Based 20% Pathway** if:

- The supplier's annual UWUO reports show an annual per-capita water use reduction of at least 1%, based on a rolling three-year average.
- The supplier develops, posts to its public-facing website, and implements a conservation plan designed to achieve its UWUO by June 30, 2041, that:
  - includes efforts to keep trees healthy.

A supplier is considered in compliance with its UWUO via the **30% Pathway** if:

- The supplier's annual UWUO reports show, based on a rolling average, an annual per-capita water use reduction of at least 2%, based on a rolling three-year average.
- The supplier develops, posts to its public-facing website, and implements a conservation plan designed to achieve its UWUO by June 30, 2041, that:
  - includes efforts to keep trees healthy
  - increases support for disadvantaged communities and low-income households
  - leverages partnerships in order to support climate-ready landscapes.
- The supplier verifies adherence to the AWWA G480-20 Water Conservation and Efficiency Program Operation and Management Standard.

## **Additional Resources**

If you are interested in complying with your UWUO via an alternative compliance pathway, you can find more information in the Alternative Compliance FAQ posted on the [Making Conservation a California Way of Life](#) webpage.

For any additional questions, you can email the Conservation Program at [ORPP-WaterConservation@waterboards.ca.gov](mailto:ORPP-WaterConservation@waterboards.ca.gov).