



Frequently Asked Questions

Alternative Compliance

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Common Abbreviations

- **AWWA:** American Water Works Association
- **MHI:** median household income
- All instances of “**State Water Board**” are abbreviations for State Water Resources Control Board.
- All instances of “**supplier**” are abbreviations for urban retail water supplier

General Topics

1. What is alternative compliance?

The State Water Board’s Making Conservation a California Way of Life Regulation (regulation) (Cal. Code Regs., tit. 23, § 965 et seq.) requires suppliers to comply with their annual urban water use objective (objective). The regulation establishes two alternative compliance pathways for suppliers facing large reductions in water use to comply with their 2040 objective. Generally speaking, an eligible supplier can be deemed in compliance with its objective if it is reducing water use by a certain percentage, creates and implements a conservation plan to achieve its urban water use objective, and, in some cases, verifies its adherence to the AWWA G480-20 Water Conservation and Efficiency Program Operation and Management standard.

More information on eligibility requirements can be found in [Question 2](#), [Question 8](#), and [Question 12](#).

More information on requirements can be found in [Question 10](#), and [Question 14](#).

2. Which suppliers are eligible for alternative compliance?

Suppliers are eligible for alternative compliance if they meet either of two sets of criteria:

For the pathway described in California Code of Regulations, title 23, section 966, subdivision (i) (Income-Based 20% Pathway):

- The average MHI for the supplier’s service area is at or below the MHI for California.
- Meeting its 2040 objective requires at least a 20% reduction in water use compared to the supplier’s 2024-2026 baseline water use.

For the pathway described in California Code of Regulations, title 23, section 966, subdivision (j) (% Pathway):

- Meeting its 2040 objective requires at least a 30% reduction in water use compared to the supplier's 2024-2026 baseline water use.

3. Is there a deadline for a supplier to pursue alternative compliance?

There is no deadline. Suppliers can pursue alternative compliance anytime as long as they meet the eligibility requirements.

4. Are suppliers who fulfil the requirements for alternative compliance in compliance with the Making Conservation a California Way of Life regulation as a whole?

Not necessarily. Alternative compliance only applies to compliance with the supplier's objective. Suppliers that fulfil the requirements for alternative compliance must still comply with performance measures, such as installing DIMs on large landscapes, classifying CII users, and implementing best management practices for qualifying CII users. They must also continue to submit Annual Urban Water Use Objective and Water Use reports.

5. How will suppliers that are pursuing an alternative compliance pathway report annual per capita reduction in water use to the State Water Board?

Suppliers will report annual per capita reduction in water use by submitting the following information to the State Water Board:

- Average annual per capita water use for the state fiscal years ending in 2024, 2025, and 2026.
- Annual per capita water use for the reporting year and the immediately preceding two years.

6. Can a supplier request more time in order to achieve its 2040 objective?

Yes. If a supplier is unable to achieve its 2040 objective by June 30, 2041, the State Water Board may approve an alternate date for achieving its 2040 objective. However, a reduction of at least 1% or 2% per year, depending on the pathway for which the supplier is eligible, is still required for any alternative compliance.

7. Will changes in a supplier's water use occurring after the initial 2024-2026 baseline assessment affect its eligibility for alternative compliance?

Initial eligibility is determined based on state fiscal year 2024-2026 water use, regardless of any changes in water use that might occur in subsequent fiscal years.

However, failure to achieve the annual per capita water use reduction required by the supplier's alternative compliance pathway will render the supplier ineligible for that pathway.

20% Reduction/Income-Based Pathway

8. Which suppliers are eligible for the Income-based 20% Reduction alternative compliance pathway?

Suppliers are eligible for the income-based 20% Reduction pathway if they meet the following criteria:

- The average median household income of the supplier's service area across the three most recent years is equal to or less than the median household income of California.
- The supplier's urban water use objective, using the standards that apply July 1, 2040, would result in an objective that is 80 percent or less of the supplier's average annual water use for the reporting categories identified in California Code of Regulations, title 23, section 975, subdivision (c)(1)(D) for the state fiscal years ending in 2024, 2025, and 2026. In other words, meeting the standards in effect July 1, 2040, would require at least a 20% reduction compared to a supplier's 2024-2026 baseline.

9. How is MHI determined?

A supplier's average median household income is based on data from the United States Census Bureau's American Community Survey. An alternative source that the supplier demonstrates to the State Water Board to be equivalent, or superior, in quality and accuracy may also be used.

10. What is required for suppliers that are eligible for the 20% Reduction/Income-Based pathway to be considered in compliance with their objective?

To be considered in compliance with their objective, suppliers who are eligible for the 20% Reduction/Income-Based pathway must:

- Reduce annual per capita water usage by no less than 1.0 percent per year. Change in annual per capita water use is calculated by comparing a rolling average of the three most recent years with a baseline water use calculated by taking the average water use for state fiscal years 2024, 2025, and 2026.

- Develop, post to its public-facing website, and implement a plan that is designed with the goal of achieving, by June 30, 2041, or a different date approved by State Water Board staff, the supplier's urban water use objective.

Failure to adhere to these requirements will result in a supplier no longer being considered in compliance with its objective.

11. What must suppliers that are eligible for the income-based 20% Reduction pathway include in their conservation plans to be considered in compliance with their objective?

The plan must be designed with the goal of achieving, by June 30, 2041, or a different date approved by State Water Board staff, the supplier's urban water use objective. The plan must additionally include efforts to keep trees healthy.

30% Reduction Pathway

12. Which suppliers are eligible for the 30% reduction pathway?

Suppliers are eligible for the 30% Reduction pathway if they meet the following criteria:

- The supplier's urban water use objective, using the standards that apply July 1, 2040, would result in an objective that is 70 percent or less of the supplier's average annual water use for the reporting categories identified in California Code of Regulations, title 23, section 975, subdivision (c)(1)(D) for the state fiscal years ending in 2024, 2025, and 2026. In other words, meeting the standards in effect July 1, 2040, would require at least a 30% reduction compared to the supplier's 2024–2026 baseline.

13. Is there an average household income eligibility requirement for the 30% pathway?

No.

14. What is required for suppliers that are eligible for the 30% Reduction pathway to be considered in compliance with their objective?

In order to be considered in compliance with their objective, suppliers that are eligible for the 30% Reduction pathway must:

- Reduce annual per capita water usage by no less than 2.0 percent per year. Change in annual per capita water use is calculated by comparing a rolling

average of the three most recent years with a baseline water use calculated by taking the average water use for the years 2024, 2025, and 2026.

- Develop, post to its public-facing website, and implement a plan that is designed with the goal of achieving, by June 30, 2041, or a different date approved by State Water Board staff, the supplier's urban water use objective.
- Verify adherence to AWWA G480-20 guidance.

Failure to adhere to these requirements will result in a supplier no longer being considered in compliance with its objective.

15. What must be included in the conservation plan for the 30% Reduction Pathway?

The plan must be designed with the goal of achieving, by June 30, 2041, or a different date approved by State Water Board staff, the supplier's urban water use objective. The plan must additionally include:

- An analysis of baseline and objective data
- Strategies for disadvantaged communities and low-income households
- Regional partnerships for climate-ready landscapes
- Efforts to keep trees healthy while conserving water

16. What constitutes increased support to low-income households?

Water conservation assistance, such as rebates, outreach, or other programs are examples of increased support to low-income households.

17. What are climate-ready landscapes?

Climate-ready landscapes are landscapes that are designed and maintained to reduce greenhouse gas emissions and weather more extreme conditions, save water, reduce waste, nurture soil, sequester carbon, conserve energy, reduce urban heat, protect air and water quality, and create habitat for native plants and pollinators (see California Code of Regulations, title 23, section 965).

18. What is the AWWA G480 Document?

The AWWA G480-20 document is a management standard by the American Water Works Association for water conservation and efficiency program operation and management. It outlines criteria, requirements and best practices for utilities to establish and maintain effective water conservation and efficiency programs.

Additional Resources

More information on the Making Conservation a California Way of Life regulation can be found at the following link:

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/regs/water_efficiency_legislation.html.

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