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|  |  | | **Estimated Cost of Implementation** | **Estimated Rate Impact** | **Penalties / Other Potential Cost Impacts** |
| Water Conservation & Efficient Use | | ***Urban Water Use / SB 1157 (2022):*** *Codifies existing indoor residential water use standards.* ***Urban Water Use Efficiency / AB 1668 & SB 606 (2018)****: Establishes long-term water efficiency standards for indoor, outdoor and other water uses; and updated requirements for urban water management planning. Long term, the bills led to the development of the* ***Conservation as a California Way of Life Regulation (2024).*** *This is a new regulatory framework that establishes individualized efficiency goals for each Urban Retail Water Supplier related to residential indoor and outdoor use, real water loss, and landscapes for commercial, industrial, and institutional (CII) users. In addition, the regulation includes further CII Performance Measures water suppliers must meet. Reporting requirement begins January 1, 2025, with the requirement to comply beginning January 1, 2027.* | *The regulatory framework is estimated to have an $80 Million to $100 Million impact over 25 years, or an average of $3 - 4 Million annual impact to customers. This includes the cost of programs, operations, customer rebates and other costs.* | Approximately  2 - 3% annual increase | Penalties of $500 per day of violation of SWRCB orders or regulations; and up to $1,000 under certain drought conditions. | |
| ***Potable Water: Nonfunctional Turf / AB 1572 (2023):*** Prohibits the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, as well as on properties of homeowners’ associations and community service organizations. | *One-time cost to for analyses, plans, and other preparations required for implementation from 2027 to 2029: $200,000*  *Annual cost associated with management, communications, and reporting requirements: $25,000* | Minor increase | Penalties not specified for water systems |
| ***Urban Water Conservation - 20% by 2020 / SB X7-7 (2007):*** *Establishes State urban water conservation targets of 10% by 2015 and 20% by 2020. Water suppliers, such as APU, are required to adopt conservation targets by July 1, 2011.* | *One-time cost to develop a master plan, which was completed in 2014, to meet the water conservation targets: $150,000 (50% grant funded)*  *Annual cost to implement conservation measures necessary to meet targets: $870,000* | 1.3% increase | Eligibility for state water management grants and loans is conditioned on compliance with the water use targets. |

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|  | | **Estimated Cost of Implementation** | **Estimated Rate Impact** | **Penalties / Other Potential Cost Impacts** |
| Water System  Resiliency | ***Water System Risk Assessments and Emergency Response Plans / S. 3021 (2018):*** *requires drinking water systems to conduct a risk assessment its system and develop an emergency response plans (ERP), which must be certified by the US Environmental Protection Agency.* | *One-time cost to develop risk assessment and ERP: TBD* | TBD | Potential civil penalties up to $25,000 per day of violation under the Safe Drinking Water Act. |
| Water Quality | ***US Environmental Protection Agency and State Water Resources Control Board Water Quality Rules:*** *Includes various monitoring and reporting programs to protect water quality.* | *Annual cost associated with increased monitoring requirements: $10,000* | 0.1% increase | Potential civil and criminal penalties of $25,000 - $50,000 per day of violation under the Safe Drinking Water Act. |
| Water Supply | ***California Source Water Assessment Program:*** *The federal Safe Drinking Water Act amendments require each state to develop and implement a Source Water Assessment Program. Each well brought online requires a study under the program.* | *Annual costs to conduct assessments: $5,000.* | Minor increase | Potential civil and criminal penalties of $25,000 - $50,000 per day of violation under the Safe Drinking Water Act. |
| Health & Safety | ***Lead Free Drinking Water Pipes / SB 1334 (2008):*** *Requires the use of lead-free materials in drinking water systems. Requires third-party certification of the lead-free materials.* | *Annual additional cost for certified lead-free materials: $35,000.* | 0.1% increase | Potential penalties of $25,000 for each occurrence, and potential to jeopardize grant and/or loan funding under the Safe Drinking Water State Revolving Fund. |

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|  | | **Estimated Cost of Implementation** | **Estimated Rate Impact** | **Penalties / Other Potential Cost Impacts** |
| Customer Notice Requirements | ***Local Government Charges / AB 1260 (2007):*** *Requires specific customer notifications for proposed new or increased rates or fees.* | *Cost per rate action for increased notification requirements: $46,000.* | 0.1% increase | Improper noticing could result in challenges to the implementation of rates or fees. |
| Invasive Aquatic Species Mitigation | ***Invasive Aquatic Species / AB 1683 (2007):*** *Requires the implementation of measures to avoid infestation by invasive species (including quagga and zebra mussels) and the control or eradication of any infestation that may occur in the water supply system.* | *One-time cost to develop an infestation control plan: $25,000.*  *Annual monitoring and maintenance costs: $15,000.* | 0.03% increase | Potential penalties of $1,000 for a violation. |
|  |  | ***The estimated rate impact over the next 10 years is 5%.***  ***Most rate increases for the water system stem from the cost of purchasing water and not from legislative / regulatory actions, for now.*** | |  |