

August 23, 2010

**California Code of Regulations**  
**Title 23. Waters**  
**Division 2. Department of Water Resources**  
**Chapter 5.2. Process Water Use Reporting for SBX7-7**

**§650. Applicability:**

(a) This regulation applies to urban retail water suppliers (suppliers) when calculating their Gross Water Use in meeting the targets and compliance of SBX 7-7 subsection 10608.2 (a) (1).

(b) An urban retail water supplier is eligible to exclude process water from the calculation of Gross Water Use if:

(1) water use by the industrial customer sector comprises a substantial percentage of the supplier's total water use supplied through the distribution system and

(2) the exclusion of process water from the calculation of Gross Water Use avoids a disproportionate burden for water conservation on another customer sector.

(c) Industrial water use, in this methodology, is a substantial percentage of total water use if industrial water use is:

(1) equal to or greater than 10% of Gross Water Use before process water deductions. (Appendix A) Incidental water use is not considered an industrial water use. Or

(2) equal to or greater than 8% of Gross Water Use before efficiently used process water deductions. This methodology avoids a disproportionate burden on other customers if industry has completed cost effective measures.

(A) Efficiency of process water use shall be determined by the supplier and the facility through an audit or a water savings study.

(B) Determination of incidental water use

(i) If process water is 90% of the facility's total use, incidental water use can be estimated

(ii) For process water that is less than 90%, sub meter data must be used

(C) Supplier adds up volume of Efficient Process Water from all facilities in the service area and compares to Gross Water Use before process water deductions. Appendix B

(d) The industries are existing water customers. New customers will be addressed in the CII task force and targets.

(e) The use either of these methods in Section 650 (c) and (d) determines if industrial water use is substantial and avoids a disproportionate burden on non-industrial customer sectors.

### **§651. Definitions.**

The terms used in this regulation have the meaning set forth below:

(a) “commercial water user” (as used in Subdivision (d) of Section 10608.12 of SBx7 7) means a water user that provides or distributes a product or service. Examples include commercial businesses and retail stores, office buildings, restaurants, hotels and motels, laundries, food stores, and car washes. Water is used mainly for sanitation, food preparation, cooling, heating, cleaning, and landscape irrigation. Water used by multi-family residences, institutional water users, and dedicated irrigation accounts should be excluded from the tally of commercial water uses.

(b) “disproportionate burden” means absence of proportion, symmetry, or proper relation.

(c) “distribution system” means a water conveyance system that delivers water to a customer and the source of water is either raw or potable water.

(d) “incidental water use” is water that is used by industry for landscapes, bathrooms, kitchens, or other uses not related to manufacturing.

(e) “industrial water user” (as used in Subdivision (h) of Section 10608.12 of SBx7 7) means a manufacturer or processor of materials as defined by the North American Industry Classification System (NAICS) code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development. An industrial water user is primarily involved in product manufacturing and processing activities and research and development of products, such as those related to chemicals, food, beverage bottling, paper and allied products, steel, electronics and computers, metal finishing, petroleum refining, and transportation equipment. Data centers are an example of what is not considered an industrial water user.

(f) “local agency” means any municipality other than a local water utility (or some other appropriate definition).

(g) “process cooling water” means water that is used to cool machinery or buildings, as required for of any aspect of the manufacturing process. This does not include incidental cooling.

(h) “process water” (as used in Subdivision (1) of Section 10608.12 of SBx7 7) means water used for producing a product or product content or water used for research and development, including, but not limited to, continuous manufacturing processes, water used for testing and maintaining equipment used in producing a product or product content, and water used in combined heat and power facilities used in producing a product or product content. Process water does not mean incidental water uses not related to the production of a product or product content, including, but not limited to, water used for restrooms, landscaping, air conditioning, heating, kitchens, and laundry.

(i) “suppliers” means urban retail water suppliers

### **§652. Quantification and Verification:**

(a) The measured annual volume of process water use should be based on facility records of each industrial water user with process water uses.

(b) Process water use can be separated out from incidental water use if the incidental water use can be verified by each process water use. Verification can be accomplished by metering or sub metering or other means as determined suitable and verifiable by the local water purveyor.

(c) In cases where the urban retail water supplier provides only a portion of an industrial water user’s water supply, the average share of the facilities’ water use supplied by urban retail water supplier for the previous five years should be used to pro rate the volume of process water use deducted from Gross Water Use.

(1) Example. If over the previous five years the industrial water user’s own sources of supply accounted, on average, for 40% of its annual use and supply from the urban retail water supplier accounted for the other 60%, only 60% of the industrial water user’s process water use should be deducted from Gross Water Use.

(d) Process cooling water may be included in the process water deduction. The volume of the process cooling water is subject to the same quantification and verification as other process water uses.

#### **§652.1. Existing Industries.**

(a) Subdivision (d) (1) of Section 10608.26 Any ordinance or resolution adopted by an urban retail water supplier after the effective date of this section shall not require existing customers as of the effective date of this section, to undertake changes in product formulation, operations, or equipment that would reduce process water use, but may provide technical assistance and financial incentives to those customers to implement efficiency measures for process water. This section shall not limit an ordinance or resolution adopted pursuant to a declaration of drought emergency by an urban retail water supplier.

(b) A local agency or water purveyor may require that existing industries utilize water efficiency technologies and methodologies and practices through the use of financial and technical assistance.

**§653. Appendices**

**§653.1 Appendix A**

**§653.2 Appendix B**

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