



**DATE:** March 9, 2026  
**TO:** Council Sustainability Committee  
**FROM** Director of Public Works  
**SUBJECT:** Urban Water Use Objective Annual Report Overview

### **RECOMMENDATION**

That the Council Sustainability Committee (CSC) receives information related to the Urban Water Use Objective (UWUO) Annual Report Overview.

### **SUMMARY**

The City of Hayward (City) is required to submit an Annual Urban Water Use Objective (UWUO) report to the State Water Resources Control Board (SWRCB), as are all water suppliers that own and operate public water systems serving more than 3,000 municipal connections or delivering an annual average of 3,000 acre-feet of water. The purpose of the Annual UWUO Report is to assess whether the City's actual water use meets the UWUO set by the SWRCB. The Annual UWUO report includes documentation demonstrating the City's compliance with all UWUO elements.

This informational staff report provides an overview of the information included in the Annual UWUO Report:

1. Background and legislative context of the State reporting requirements
2. Important data points and regulatory shifts in reporting for Fiscal Year 24-25
3. Recommendations and broader implications for Fiscal Year 25-26

### **FISCAL IMPACT**

The Annual UWUO Report, and recommendations provided herein, are for informational purposes only and will have no fiscal impact on the General Fund or Measure C.

### **BACKGROUND**

SB 606 and AB 1668, the Conservation as a California Way of Life regulations enacted in 2018, establish new standards for long-term improvements in urban water use efficiency and drought planning. The UWUO is a state-developed framework designed to ensure that urban retail water suppliers adhere to measurable goals for water conservation and

efficiency. In addition, SB 1157, enacted in 2022, sets the residential indoor water use standard at 55 gallons per capita per day (GPCD<sup>1</sup>) until January 1, 2025, when it lowers to 47 GPCD, and finally lowers to 42 GPCD beginning January 1, 2030. The State’s long-term goal is to help further proactive water conservation and drought planning, particularly in case of emergencies or natural disasters. These efforts also enhance the sustainability of the City’s drinking water supply and help to meet the long-term water needs of the City.

The Annual UWUO Report is the sum of the water use efficiency budgets for urban water uses, including residential indoor water use, residential outdoor water use, real water loss, and outdoor water use for commercial, industrial and institutional landscapes, including customers such as schools and colleges with dedicated irrigation meters, and if applicable, any variances. The State considers commercial indoor use as an “excluded demand” because many water suppliers serve areas where daytime, week-day water use increases because of people commuting into their service area from other places.

The UWUO is calculated as follows:

$$\text{UWUO} = \text{Residential}_{\text{indoor}} + \text{Residential}_{\text{outdoor}} + \text{CII}_{\text{DIMs}} + \text{Water Loss} + \text{Variances}$$

Where:

- Residential<sub>indoor</sub> = Estimated indoor residential water use
- Residential<sub>outdoor</sub> = Estimated outdoor residential water use
- CII<sub>DIMs</sub> = Estimated irrigation of Commercial, Industrial, Institutional (CII) landscapes with Dedicated Irrigation Meters (DIMs)
- Water Loss = Aggregated estimated water losses
- Variances<sup>2</sup> = Estimated water use for approved variances

## DISCUSSION

This section summarizes the main elements of the Annual UWUO Report, and the evolving nature of the State’s annual reporting requirements:

### Annual Reporting Requirements:

#### 1. Residential Indoor and Outdoor Water Use

The aggregate potable water deliveries to single-family customers between FY 23-24 and FY 24-25 increased moderately from 1,694,724,900 gallons to 1,826,872,564 gallons, or about 7% per year. Similarly, there was an increase in multi-family consumption from 1,077,220,232 gallons to 1,498,937,396 gallons or about 39% between the two prior fiscal years, primarily due to irrigation usage as measured through Dedicated Irrigation Meters (DIMs).

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<sup>1</sup> GPCD: gallons per capita per day, representing the average amount of water used per person per day

<sup>2</sup> City of Hayward did not seek any variances for FY24-25, as they do not apply.

## **2. CII Dedicated Irrigation Meters (DIMs) Water Use**

Similarly,, outdoor irrigation of CII landscapes increased from 527,073,708 gallons in the previous fiscal year to 576,291,236 gallons or about 9.3% between the two prior fiscal years. By analyzing the volume of water flowing through Dedicated Irrigation Meters (DIMs), it is possible to quantify the amount of outdoor water use at CII landscape sites. These increases were largely driven by greater outdoor water use during July, August and September 2024.

## **3. System Water Loss**

Aggregated water losses are also a component of the UWUO. Real Losses are defined as the annual loss through all types of leaks, breaks, and overflows. The total annual volume of Real Water Losses was 290.2 MG/Year. The Annual Water Loss Audit that was performed resulted in the City's water system receiving a Data Validity Score in the Tier III category, which is a good rating and is indicative of continuing to establish ongoing customer meter accuracy testing, active leakage control and infrastructure monitoring.

Even with these increases, the City remains 14.03% below the State's water use objective. Overall, the City remains in compliance with the UWUO through continued implementation of conservation programs and Best Management Practices (BMPs). These measures help to ensure that increased demand did not exceed the efficiency-based limits established under the UWUO threshold. Therefore, the City's actual water use complies with the water use benchmark established by the State.

### **Additional Reporting Requirements:**

In addition to the main elements of the UWUO, the City demonstrated compliance with several new reporting requirements that are part of this annual report.:

## **4. Identification of 90<sup>th</sup> Percentile by Volume of Residential Water Use**

The Annual UWUO Report requires urban water suppliers to identify the top residential water users and quantify the 90<sup>th</sup> percentile by volume of water use as an initial step for developing targeted outreach for single- and multi-family customer classes.

- a. The total volume of deliveries to single-family residential customers that are at, or above the 90<sup>th</sup> percentile for single-family residential water use across the City's service area: 489,461,280 gallons.
- b. The total volume of deliveries to multi-family residential customers that are at, or above the 90<sup>th</sup> percentile for multi-family residential water use across the City's service area: 900,958,520 gallons.

**5. Landscapes Misclassified** One of the key elements of the Annual UWUO Report is the outdoor water use budget as determined by the extent of landscape area and Evapotranspiration rates. Several agencies, including Hayward, have reported that the Department of Water Resources' (DWR) initial landscape area data from 2018 needs updating.

A review of the City's residential landscape data by DCSE, Inc. resulted in approximately 149,973 square feet of residential irrigated area (where vegetation and irrigation is actively managed) that was not captured between the DWR data set development. Several agencies have requested approval from DWR for using alternate landscape area data. The City intends to continue to work with DWR to demonstrate how the disputed active irrigation square footage should be included, as an updated data source for developing the residential outdoor budget.

#### **6. Commercial, Industrial, Institutional (CII) Account Subclassification**

The UWUO includes an additional reporting requirement for urban retail water suppliers to subclassify CII accounts into 22 different subcategories. To date, the City has subclassified 2,615 CII accounts out of 5,391 accounts, by cross-referencing data from MUNIS, the Business License Database obtained from the Finance Department, and further verification using Google street view.

The practical implication of subclassifying accounts beyond a generic CII classification is to offer BMPs to customers in these subclassifications to assist them in achieving measurable water savings. The remaining 2,768 CII accounts need to be subclassified by June 30, 2027.

#### **7. Identification of Large Landscapes with Mixed-Use-Meters (MUMs)**

By June 30, 2027, all urban retail water suppliers are required to identify large, landscaped areas, greater than ½ acre in size that have Mixed-Use-Meters (MUMs), as well as the number of water users associated with these large, landscaped areas that have Dedicated Irrigation Meters (DIMs) installed. MUMs are water meters that record the total volume of water used for both indoor and outdoor purposes, whereas DIMs, are specifically used for measuring outdoor water use.

In 2026, staff will formalize a process for identifying large, landscaped sites with MUMs, and develop a phased-implementation plan for conversion to DIMs. The goal is to accurately quantify outdoor water use at large, landscaped CII sites by installing DIMs, as this is one of the main elements of the UWUO..

#### **8. Identification of Total Number of Disclosable Buildings**

Disclosable buildings are those with more than 50,000 square feet of gross floor area, including commercial, industrial, institutional, and multi-family residential buildings with more than 50,000 square feet. The purpose of the disclosable buildings list is to ensure transparency in energy and water usage reporting. Owners of these buildings are required to submit Annual Energy Benchmark Reports to the California Energy Commission (CEC) and provide aggregated monthly water use data upon request.

The City is a member of the California Water Efficiency Partnership (CalWEP). The partnership provides an updated Annual List identifying Disclosable Buildings located in the City of Hayward. Staff verified that there are 529 Disclosable Buildings in the City's service area.

## **9. Identification of Top Commercial, Industrial, and Institutional (CII) Customers**

All Urban Water Retail Suppliers are required to select a method for identifying the top percentile of CII water use. The SWRCB supplied a guidance document for calculating the top percentile of CII water use. The City selected a method which involves identifying the number of CII water users at, or above the 97.5<sup>th</sup> percentile and 80<sup>th</sup> percentile of water use. The 97.5<sup>th</sup> percentile for CII accounts is 4,065 CCF, or 8,331 gallons per day, with 89 accounts in this category; the 80<sup>th</sup> percentile for CII accounts is 607 CCF or 1,240 gallons per day, with 706 accounts in this range.

The goal of identifying the top CII customers is to offer BMPs with quantifiable water savings. As required, in 2026, staff will identify and standardize a methodology for quantifying water savings associated with BMPs offered to CII customers. CalWEP is updating guidance on how to estimate quantifiable water savings for CII customers. This project is expected to be completed in mid to late 2026.

## **10. Identification of Best Management Practices (BMPs)**

As mentioned in the paragraph above, the SWRCB requires Urban Water Retail Suppliers to identify BMPs they can offer to CII customers from a list of five broad categories. They include Outreach, Technical Assistance and Education; Incentives ; Landscape ; Collaboration and Coordination ; and, Operational.

The City currently offers BMPs to CII customers that align with the categories developed by the State. They include,(1) Outreach, Technical Assistance and Education: WaterSmart - customer portal to access water consumption information; (2) Incentives: BAWSCA rebates such as the Irrigation Hardware Rebate for replacing inefficient devices; (3) Landscape: Waterfluence Large Landscape Program which includes information on water budgets and application rates at CII sites and programs to remove turf and replace it with climate-ready vegetation; and, (4) Operational: CII BMP training workshops.

## **ECONOMIC IMPACT**

Investing in and implementation of the UWUO measures contributes to a more sustainable and economically viable approach to urban water management for the City. The UWUO Annual Report is a regulatory requirement that's primary use is for water conservation planning purposes. Development of a thoughtful UWUO Report helps assess the City's actual water use relative to the State's benchmark, and ensures the City complies with the annual reporting requirements. Establishing efficiency goals for urban water suppliers will not only assist the City in water use efficiency, but may also yield long-term cost savings for customers. .

## **STRATEGIC ROADMAP**

This agenda item supports the "Champion Climate Resilience and Environmental Justice" focus area, Objective 3: Mitigate Environmental and Climate Impacts, CM3.

- Number of participants in water conservation programs for residential, business, and municipal customers.

## **SUSTAINABILITY FEATURES**

The findings of the Annual UWUO Report are useful for the City in addressing the impacts of climate change, managing water resources sustainably, and supporting emergency preparedness and natural disaster response planning. It also provides a planning framework for assessing actual water use and demand management measures. This reporting also promotes resiliency by integrating conservation savings that safeguard the City's water supplies.

## **PUBLIC CONTACT**

Implementation of BMPs to support the Annual UWUO reporting requirements will require direct engagement with CII and residential customers. This includes coordination with customers to better understand site-specific water uses, operational practices, and existing efficiency measures. These outreach activities will be necessary for developing BMPs that support compliance with state requirements while ensuring a practical implementation of conservation strategies.

## **NEXT STEPS**

In 2026, staff will develop strategic messaging and educational outreach, such as promoting practical water saving tips and reminders through WaterSmart and Bill Inserts, in addition to existing notifications such as printed leak alerts and water waste reports. To engage with the CII sector, an updated inventory of contacts in WaterSmart will provide the ability to use the messaging function to schedule site visits, review and provide suggestions on water efficient practices, and track water savings resulting from on-site engagements and educational outreach.

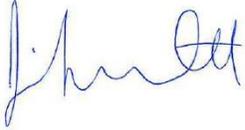
Additionally, to ensure compliance and accurate tracking of CII outdoor water use, staff will develop a standard process for identifying large, landscaped sites that are ½ acre or more, and a phased Operations Plan to convert MUMs to DIMs at these locations. Staff will also continue subclassifying CII accounts in 2026 to verify that all customers are categorized before the deadline of June 30, 2027.

Although the City's actual water use remains below the State's calculated UWUO for the City, implementing these recommendations provides additional ways to consistently certify compliance with the annual reporting requirement.

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*Recommended by:* Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in blue ink, appearing to read "Jennifer Ott". The signature is fluid and cursive, with the first name "Jennifer" and the last name "Ott" clearly distinguishable.

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Jennifer Ott, City Manager