

MONTEREY PENINSULA REGIONAL WATER AUTHORITY



April 13, 2015

Jessica Bean
California State Water Resources Board
1001 I Street
Sacramento, CA 95814-2828

Directors:
Jason Burnett, President
Bill Kampe, Vice President
David Pendergrass, Secretary
Jerry Edelen, Treasurer
Ralph Rubio, Director
Clyde Roberson, Director

Executive Director:
Jim Cullem, P.E.

RE: Mandatory Conservation Proposed Regulatory Framework

Dear Ms. Bean:

The Monterey Peninsula Regional Water Authority (MPRWA) urges you to make several modifications to the statewide mandatory conservation proposed regulatory framework (framework) before it is finalized. Our proposed modifications to the framework will strengthen the approach by building off of and extending the current structure. The MPRWA includes the six cities on the Monterey Peninsula: Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City and Seaside and offers these comments based on the extensive experience that our six communities have with water conservation over many years.

The Monterey Peninsula has been focused on water conservation for many years and has greatly reduced potable water use. This reduction took place, in part, because State Water Resources Control Board (SWRCB) Cease and Desist Order 2009-0060 (CDO) mandated that our water provider, California American Water (Cal Am), reduce pumping from our primary water source, the Carmel River. In addition, Cal Am is subject to adjudicated reductions in extractions from the Seaside Basin. As a result of years of sustained conservation efforts, the community now has one of the lowest rates of residential per-capita water use in California.

Accordingly, the MPRWA requests that the SWRCB recognize the water conservation accomplishments of the Monterey Peninsula as the Board implements the State's new mandatory water use reductions, and the Authority strongly supports the "Comments/Ideas on the Draft Regulatory Framework" as articulated by the Monterey Peninsula Water Management District in its letter dated April 13, 2015.

The Monterey Peninsula has a steeply tiered residential rate structure in order to promote conservation. The price per gallon of water in our highest tier is fifteen (15) times greater than the price per gallon of water in our lowest tier. Although this steeply graduated pricing system has created some issues with excessively large water bills, it has achieved its goal of causing many of our largest water users to cut back. In five years the consumption in the highest pricing tier has fallen by more than half and continues to decline as our residents respond to the strong price signals. Based on our

research, we believe our tiered structure is among the most aggressive of any in the state and we would encourage the SWRCB to study the strong performance of our approach as other communities adopt conservation pricing systems. We have found that pricing systems avoid issues of incomplete compliance and enforcement challenges often found with prohibitions of certain activities such as outdoor watering.

We support the April 1, 2015 Executive Order's direction that water suppliers with service areas that experience relatively larger per capita consumption of water should be required to conserve more than 25% and those communities that have already made substantial gains in water conservation should be required to conserve less than 25%. We do, however, believe the schedule apportioning water supplier reductions should be modified in several ways:

- The current schedule offers four categories of suppliers for residential per capita water use (R-GPCD) of under 55, 55-110, 110-165, and over 165. Having only four categories means that each category is very large and does not adequately differentiate between communities' conservation performance within a category. For example, in the second category (55-110), a community with 55 R-GPCD is treated the same as a community with double the per capita consumption of 110 R-GPCD even though a community with 55 R-GPCD has already achieved much more water conservation. This does not appear to meet the Governor's direction to have areas with higher consumption achieve proportionally greater reductions. One simple fix to this problem is to have more than four categories. Having a dozen or so categories of R-GPCD would give the SWRCB a much greater ability to comply with the Executive Order and to recognize and reward those communities which have already engaged in substantial water conservation.
- The schedule does not fully recognize the limits of water conservation and the diminishing returns to investments in water conservation. The 10% reduction for communities with under 55 R-GPCD is a lower numeric reduction but, because of diminishing returns in communities where all of the easy water conservation investments are already in place, may in fact require a greater investment and/or greater sacrifice than the larger percent reduction for communities with greater September 2014 R-GPCD. The Monterey Peninsula's experience with water conservation suggest that the notion of diminishing returns to water conservation is very real after all of the "low hanging fruit" has been picked. The 20% reduction in the "55-110" R-GPCD category may actually be easier to achieve for certain communities (those close to the high end of the range) than the 10% reduction required of the "under 55" R-GPCD. Such a scenario should be avoided because it is unfair and inconsistent with the notion of asking more of those communities that have done less to date. One solution to this problem would be to allocate 55 gallons per day per resident as the minimum indoor allotment and then have a schedule of reductions required for any consumption over this 55 R-GPCD allotment. Such a system would recognize the need for some indoor water use and would explicitly focus reductions on unnecessary indoor use and all outdoor use.
- Finally, we note the inequity in allowing communities that have historically used more water to continue to do so simply because they have established a large historic baseline. Using historic water consumption to establish a baseline against which reductions will be measured implicitly rewards greater historic water use. For example, a community that used 200 R-GPCD in 2014 will now be allowed 130 R-GPCD in 2015 or a full two and a half times what the Monterey Peninsula will be allowed under the proposed framework. We are willing to ask our communities to do our part but it is hard to explain why others are allowed 2.5 times as much as we are.

Finally, we would note that the reasons for the Monterey Peninsula is so focused on water conservation are somewhat different than those of other parts of the state. For us, the need to engage in water conservation will not end with the first above average rainy season. Our focus will remain at least until we have new, sustainable water supply projects online. We are not connected in any way to the State's water system and our rationing triggers are based on actual water demand relative to water levels in the Carmel River, not elsewhere in the state. Fortunately those triggers have not been reached. We therefore believe it most appropriate for the Monterey Peninsula to remain focused on

multi-year water conservation efforts consistent with the unique water situation we have rather than be asked to seek shorter-term water conservation efforts.

In summary, the position of the MPRWA is that any mandated cuts to the Monterey Peninsula, in light of past conservation efforts and our current low residential per-capita water use, should result in mandatory cuts well below 10 percent.

Thank you for consideration of our comments, and should the Board or staff have any questions, please do not hesitate to contact me at jason.burnett@gmail.com or 831-238-0009, or our Executive Director, Jim Cullem, at cullem@monterey.org or 831-241-8503.

Sincerely,

A handwritten signature in black ink that reads "Jason Burnett". The signature is written in a cursive style with a long horizontal stroke extending from the end of the name.

Jason Burnett, President
Monterey Peninsula Regional Water Authority

C: David Stoldt, General Manager
Monterey Peninsula Water Management District