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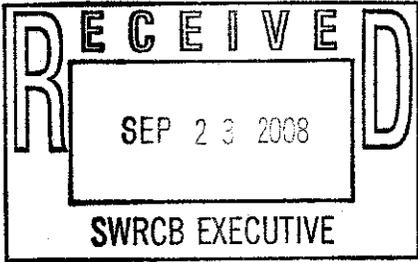
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General Manager

September 23, 2008

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



Dear Board Members:

Subject: Proposal to Mandate Water Conservation Management Practices

The Municipal Water District of Orange County (MWDOC) appreciates the opportunity to comment on the State Water Resources Control Board's (SWRCB) proposal to develop an Urban Water Conservation Program for California.

We believe that the voluntary approach to develop and implement water use efficiency programs using the California Urban Water Conservation Council (CUWCC) Best Management Practice approach has been relatively successful. The California Urban Water Conservation Council is a recognized leader in defining a framework for implementation of water use efficiency in California, and tracking implementation of programs by its member agencies. The CUWCC should remain an independent organization separate from a regulatory framework. An appropriate role for the CUWCC is to continue to advance the state of the art in water use efficiency, track implementation for signatories, conduct research and evaluation, and provide technical assistance to its membership.

Using the CUWCC BMP framework, Orange County is currently saving more than 19,000 acre feet per year in active conservation. In addition, code changes have resulted in an additional 38,000 acre feet of conservation. It is notable that while 16 of 29 Orange County water agencies are signatories, nearly every agency has taken up the majority of the 14 BMP's.

In considering this matter, the State Board should take into account other relevant efforts to address this issue, including those from within other parts of State Government. Ideally, the State Board would not seek to duplicate these efforts. These include:

MEMBER AGENCIES

- City of Brea
- City of Buena Park
- East Orange County Water District
- El Toro Water District
- Emerald Bay Service District
- City of Fountain Valley
- City of Garden Grove
- Golden State Water Co.
- City of Huntington Beach
- Irvine Ranch Water District
- Laguna Beach County Water District
- City of La Habra
- City of La Palma
- Mesa Consolidated Water District
- Moulton Niguel Water District
- City of Newport Beach
- City of Orange
- Orange County Water District
- Orange Park Acres Mutual Water Co.
- City of San Clemente
- City of San Juan Capistrano
- Santa Margarita Water District
- City of Seal Beach
- Serrano Water District
- South Coast Water District
- Trabuco Canyon Water District
- City of Tustin
- City of Westminster
- Yorba Linda Water District

- The Urban Water Management Planning Act – This requires reporting on conservation practices not only from CUWCC MOU signatories, but from all urban water purveyors required to file an UWMP. Therefore we would not see a need for the State Board to develop a duplicative reporting framework.
- AB 1881 (2006) – which requires local agencies, not later January 1, 2010, to adopt the updated model ordinance or equivalent or it will be automatically adopted by statute. Also, the bill requires the Energy Commission, in consultation with the Department of Water Resources (DWR), to adopt, by regulation, performance standards and labeling requirements for landscape irrigation equipment, including irrigation controllers, moisture sensors, emission devices, and valves to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy or water.
- AB 1420 (2007) – which now limits access to specified state grant funds for agencies that fail to implement foundational BMP's. This is a relatively new law and time should be allowed to assess its effectiveness as an incentive.
- The Governor's call for a 20% reduction in per capita water use in California (2008), and the implementation effort for this call now under development through the Governor's 20x2020 Team.
- The CUWCC is currently revising the Best Management Practices, including a provision for a performance based track that would increase flexibility in BMP implementation so long as an equivalent water savings can be produced.
- Ongoing work by the Department of Water Resources to promote, research, and fund (through grants) urban water conservation.
- Efforts to implement AB 32 (2006) – which includes possible implications for water use efficiency measures that result in energy savings.
- Likely additional legislation in 2009 following up on AB 2175, which failed to pass this year but would implement a per-capita reduction target for each urban water agency in the state.

Given the multiple water conservation laws in effect, and the water use efficiency success to date, it does not appear regulation by the State Board is needed. Numerous concerns with such a program exist.

What tools does the State Board have within its powers to bring to bear and how would they be wielded? Does the State Board propose to reduce water rights for urban water agencies that fail to implement specified conservation practices? How would cost effectiveness be addressed in that process? Would the State Board work to target reduction of water waste rather than imposing arbitrary water consumption reductions in a blunt manner on agencies and consumers that may adversely impact economic activity?

In response to a question posed in your background paper, any program to advance water use efficiency and reduce water waste should be implemented on a statewide basis. Targeting one region and giving other regions a pass would not be appropriate. However, in implementing such a program, it is also important that past efforts and accomplishments be recognized. Such past conservation efforts lead to more hardened demand and reduced opportunities for further reductions. Therefore, the reductions in waste required may need to vary by area or by agency to reflect their past achievements. Failure to do so effectively removes incentive for agencies to take proactive steps in the future.

Many of the practices outlined in the CUWCC Urban Best Management Practices MOU lend themselves to implementation or customer assistance at the retail level. However, in some areas, a regional approach has evolved as a more cost effective model to implement some of the best management practices. For example, within the Metropolitan Water District service area, there are roles played by Metropolitan, by regional wholesale member agencies such as MWDOC, and by individual retail water agencies in implementing many of the device-specific rebate programs. If any program is developed by the State Board, it should recognize this and allow compliance to occur either on an individual retailer basis or on a regional basis as appropriate.

By and large, we believe the correct role for implementation of conservation in state government rests with the Department of Water Resources. For many years, DWR staff has been directly involved in water use efficiency throughout the state including a formal seat on the Steering Committee of the California Urban Water Conservation Council, and administering grant funding for implementation of efficiency programs. DWR also administers implementation of the Urban Water Management planning Act which requires water agencies throughout the state to develop and submit Urban Water Management Plans to

State Water Resources Control Board

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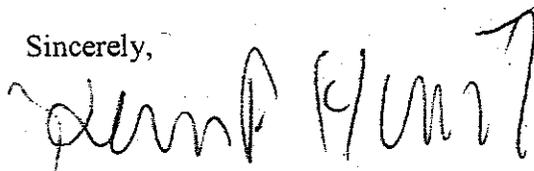
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DWR for review and approval. Data contained in these urban plans includes descriptions of supplies, demands, and past and future water use efficiency programs all of which is rolled up into the State Water Plan. The State Board may have a limited role in enforcement actions targeting waste or unreasonable use that falls well outside the norm, however, all local water agencies have the power to enact water waste ordinances that can achieve water waste reduction at the local level.

We recommend that the State Board allow time for the other efforts underway in California – such as the Governor's 20% plan, AB 1420, and revised CUWCC BMP's – to take hold. The State Board should monitor progress as reported in the CUWCC reports and in the 2010 and 2015 Urban Water Management Plan reports. Should progress not be evident by the 2015 UWMP reporting cycle, then it may be appropriate to revisit the need for a more active State Board presence in this area.

We look forward to assisting the SWRCB in further considering its role in water use efficiency for California. Should you have any questions regarding our comments, please call me at (714) 593-5026.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin P. Hunt". The signature is written in a cursive, somewhat stylized font.

Kevin P. Hunt, P.E.
General Manager