



April 13, 2015

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

Dear Ms. Bean:

Thank you for the opportunity to comment on the Mandatory Conservation Proposed Regulatory Framework. This letter represents comments and ideas requested by the State Water Resources Control Board (SWRCB) by April 13, 2015. Our comments address both (a) the Draft Regulatory Framework dated April 7, 2015 and (b) the SWRCB questions in the “How You Can Help” section of the Mandatory Conservation Regulation FACT SHEET dated April 7, 2015.

Comments/Ideas on the Draft Regulatory Framework

Section I: Apportioning Water Supplier Reductions

We strongly agree with the approach to stratify the targeted reductions by a water supplier’s per capita use in a service area. However, we suggest three changes:

- (1) Increase the number of ranges;
- (2) The percent reduction or “conservation standard” should range from 5% to 40% across the ranges; and
- (3) A per capita minimum threshold should be established at 55 gallons per capita per day (GPCD).

The California Code of Regulations, Title 23, Section 697, suggests an allowance of 55 to 75 gallons per day per person for indoor water use. The SWRCB has traditionally used 55 GPCD for domestic use in considering water rights applications and the figure has appeared in SWRCB enforcement staff declarations, testimony, and cease and desist orders. As recently as a November 4, 2014 presentation to the SWRCB Board, your staff stated “55 GPCD is the performance standard for indoor use.” Further, the US Bureau of Reclamation utilizes 55 GPCD as its health and safety allocation for municipal and industrial purposes. Therefore, the conservation standard for the lowest range could read “5% to a minimum threshold of 55 GPCD.”

If the current use is at or below 55 GPCD, additional conservation should not be mandated by the SWRCB. Water suppliers/districts should be expected to continue

their conservation efforts and focus on local enforcement efforts to ensure maximum compliance with locally developed conservation standards.

We have three additional concerns with respect to the conservation standard:

- (1) California is a multi-climate, multi-watershed state with a large variety of conditions. A “one-size-fits-all” solution may not be appropriate. For example, our region is not dependent on Sierra snowpack, the Delta, or the Colorado River. We have a longstanding Water Conservation and Standby Rationing Plan that allows us to annually assess the physical supply of water relative to expected demand and make conservation and rationing decisions based on the data. At this time, our physical supply is not constrained and we would not enter into a higher stage of rationing under our local Plan;
- (2) In our region, all domestic wastewater in the months of April to September is recycled and reused by produce growers and irrigators. Further reduction of domestic indoor water use will reduce deliveries to irrigators at a time when they can least afford it.
- (3) Even a stratified level of application of the proposed conservation standard results in inequitable allowable per capita use. For example, a service area using 230 GPCD with a 35% reduction will allow 150 GPCD and would still be entitled to use 3 times as much water per person than a service area at or below 55 GPCD (such as the Monterey District of California American Water) with a 10% reduction to just below 50 GPCD.

Hence, some consideration for local conditions may be warranted.

Section II: New Reporting Requirements

In this section, it is not clear that this is informational only and that the reporting does not subject the commercial, industrial, and institutional (CII) sector to mandatory reductions at this time. It should be clarified if the conservation standards in Section I and the compliance assessment in Section III apply to residential GPCD use only, cumulative production data by the water supplier for the reporting period, or CII. We recommend the SWRCB look at conservation in the CII sector as a component of decreases in production by the supplier for the reporting period.

Section III: Compliance Assessment

We have concerns over the plan to “assess suppliers’ compliance for both monthly and cumulative water usage reductions.” Your overall assessment period is 9 months. It takes time for conservation and rationing programs to become effective. In fact, our experience shows very real and permanent change (see attached chart) can take years. Implementing conservation and rationing activities to achieve meaningful impacts in 9 months will take time and there is a certain “stickiness” in customer response. Further, customer behavior will vary with season, weather, school vacations, economic conditions, and other factors – monthly data is better normalized over a longer period.

Therefore, we recommend the SWRCB only assess performance at the end of the full 9 month period and then provide direction to suppliers once the full data set can be evaluated. At a minimum, a mid-period review may be better than monthly. Additionally, all the suppliers will be performing their own monthly evaluations in order to inform needed changes to their programs. Hence, SWRCB assessment may be unnecessary.

Section IV: Enforcement

We support informal enforcement at the conclusion of the 9 month trial. Suppliers who are deemed to have not made sufficient progress should develop and provide to the SWRCB an “Improvement Plan” which would be monitored for a period, before any CDO or civil liabilities should be considered.

The concept of a Conservation Order is interesting and could be effective, but the SWRCB should keep in mind the “stickiness” of customer response – results are never immediate.

Small Water Suppliers

Please clarify a baseline number of service connections for which this section would not apply. We believe it is 15 connections or less, but seek clarification.

Comments/Response to SWRCB questions raised in the “Fact Sheet”:

Question 1: Please see our responses above.

Question 2: Please see our responses above.

Question 3: Possibly. We believe solutions are locally-based and may require tweaks, additional resources, revisions, and subsequent follow-on measures. It is not an exact science.

Question 4: We caution against specific actions in the CII sector beyond unnecessary outdoor water use. Commercial users have a different set of issues – customer driven businesses have difficulty controlling the number of customers without creating economic penalties; office settings that have already retrofit to high efficiency fixtures have very little capacity for reduction; some businesses use water as a component of the manufacture of the finished product and its cost of goods sold; and so on. During the ACWA drought update on April 9, 2015 the SWRCB Chair appeared to indicate that the goal was to reduce water use without undermining the economic vitality of the State.

We propose that businesses be given “best management practices” and a timetable for implementation. On the Monterey Peninsula, CII was required to install water efficient plumbing fixtures (including toilets), implement conservation programs, and replace older appliances by 2014. This type of program will result in long-term conservation, but because of the implementation time, has less immediate savings than what might be desired for drought response. For drought response,

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the focus should be on (i) unnecessary outdoor irrigation, and (ii) collaboration with large-scale water users in a cooperative examination of business practices.

We suggest that the SWRCB also take into account historical CII use and past conservation efforts. Not doing so penalizes, rather than incentivizes, conservation efforts throughout the state. The areas that have demonstrated significant conservation should not be expected to incur additional CII requirements and excessive hardship to make up for regions that have failed to conserve.

Question 5: We do not have an opinion on additional monthly data requirements.

Question 6: At the end of the 9-month period. Please see our responses above.

Question 7: Please see our responses above.

The Monterey Peninsula Water Management District has a lengthy history of implementing conservation measures that work (see chart attached) and is appreciative of the initiative shown by the SWRCB to address the near-term drought needs, as well as build a framework for long-term sustainability of California water. Thank you in advance for reviewing these comments.

Sincerely yours,



David J. Stoldt
General Manager

Conserving Water is a Culture: The Monterey Peninsula Story

The Local Setting

- Carmel, Carmel Highlands, Carmel Valley, Del Rey Oaks, Monterey, Pebble Beach, Pacific Grove, Sand City, Seaside comprise the California American Water Company's "Main" system
- Approximately 39,000 customers
- Relatively steady population – 94,081 in 2010 versus 93,832 in 1984
- Tourism accounts for 9 million visitors annually and supports 22,000 jobs, creating \$2.3 billion in economic activity

Who Uses How Much?

- Residential 67%
- Commercial 25%
- Public Authorities 6%
- Golf Courses 2%

How Much Has Been Saved?

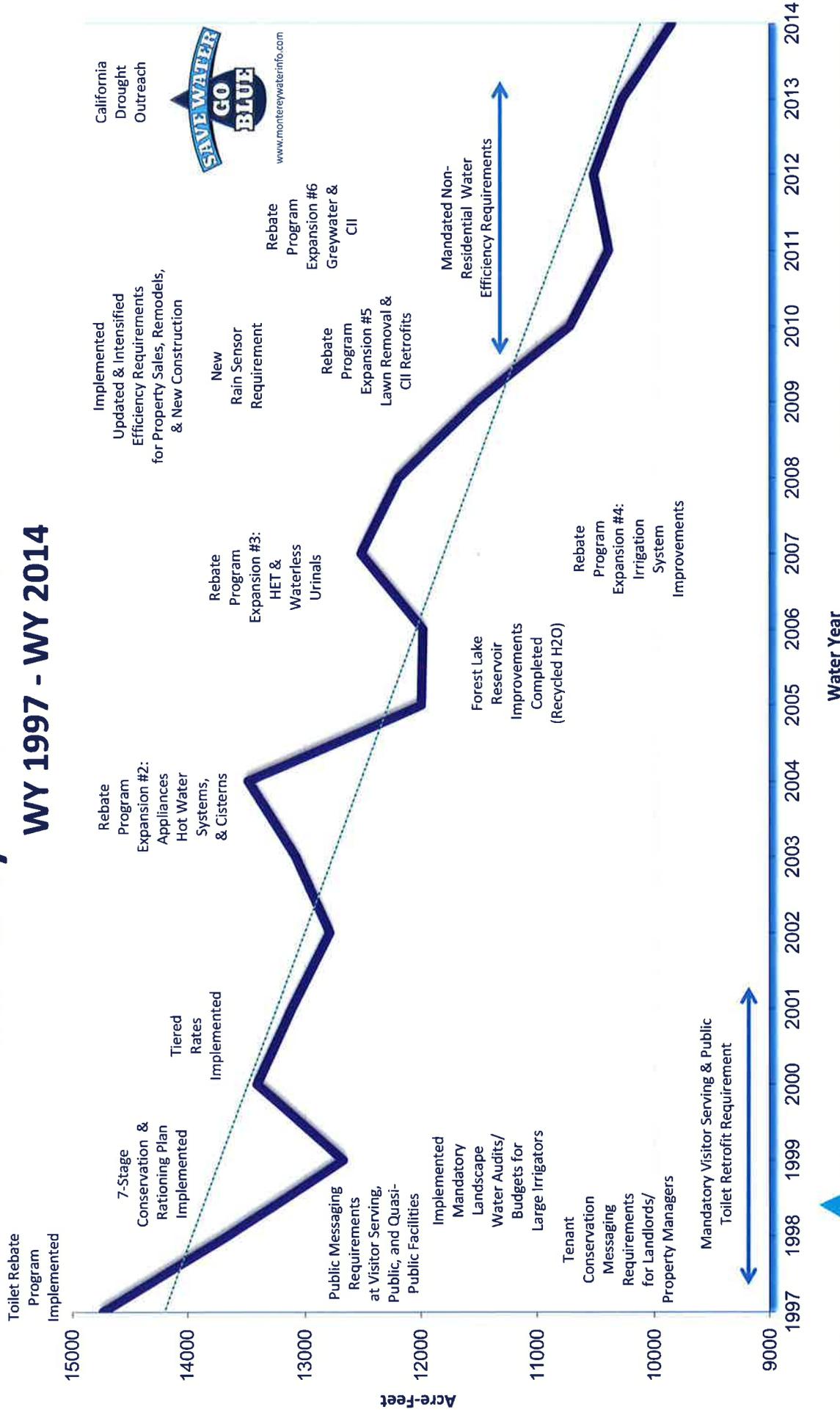
- 33% Reduction in Consumption Since 1997 (almost 5,000 acre-feet)
- 43% Reduction in Consumption Since 1988

What Programs Have Been Utilized?

- Water Permits Required Before Building Permit (1985)
- Retrofit to Low Flow Fixtures Upon Resale, Change of Use (1987)
- Low Flow Fixtures/Appliances Required in New Construction (1987)
- Water Rationing (1989-1992)
- Recycled Water for Golf Course and Open Space Irrigation (1993)
- Toilet Rebate Program (1997)
- Conservation Messaging Requirements for Visitor-Serving Commercial, Public, and Quasi-Public Facilities (1997)
- Mandatory Landscape Water Audits and Water Budgets for Large Irrigators (1999)
- Tiered Rates for Residential and Commercial (2001)
- Visitor-Serving Commercial and Public Retrofit Requirement (2001)
- Expanded Residential and Commercial/Industrial/Institutional, Irrigation Efficiency Rebate Program (2007)
- Towel and Linen Reuse Program Requirement (2009)
- Rain Sensor Requirement Upon Resale, Change of Use, New Construction/Remodels (2010)
- Updated and Intensified Efficiency Requirements for Change of Use, New Construction/Remodels (2010)
- Commercial Rates Tied to Conservation Best Management Practices (2013)
- Mandatory Commercial/Industrial/Institutional Water Efficiency Retrofits (2014)
- Commercial/Industrial/Institutional and Landscape Audits Offered at No Charge (2009-Present)
- Inspection of Properties for Compliance (1987-Present)
- Grant Funding for Large Landscape Retrofits (2009-Present)
- School Retrofit Program (2009-2014)
- Partnership with local water suppliers
- Enforcement authority

Monterey Peninsula Water Demand

WY 1997 - WY 2014



Data Source: CAW Customers and Consumption by Political Jurisdiction

Water Year

