



Yorba Linda Water District

*Independent, Reliable and Trusted
Service for More Than 100 Years*

April 13, 2015

Felicia Marcus
Chairperson, State Water Resources Control Board
Attn: Jessica Bean
1001 I Street, 24th Floor
Sacramento CA 95814

Subject: YLWD Comments on the Mandatory Conservation Proposed
Regulatory Framework

Dear Chairperson Marcus,

The purpose of this letter is to provide information concerning the impact of this regulation relative to our District, identify policy calculations that disproportionately affect our District's customers, and finally offer recommendations that achieve the desired results in a fair manner.

YLWD has a 106 year history of serving the region (primarily with groundwater), which has transformed from agriculture to a bedroom community. This change has resulted in large parcels and open spaces, in what is considered arid and rugged terrain that is highly desirable for its scenic beauty. Water use is down significantly from our agricultural days, but is still higher than more densely populated urban areas. We understand everyone's sense of fairness differs, but comparing residential gallons per capita day (R-GPCD) data without weighing it based upon considerations including land use, precipitation, temperature, and population growth, fails any definition of fairness. On one hand a sliding scale is used to determine YLWD's Conservation Standard at 35%, but a sliding scale is not used in the calculation of our R-GPCD. Consequently, we feel the draft Standard for YLWD is unreasonable.

We fully appreciate the need to conserve water, especially during a drought. To this end we have reduced our GPCD in line with the State's 20X2020 goal, and have already exceeded our 20% targets set by the State. We have replaced center median turf strips in the City of Placentia with artificial turf, and we have processed and continue to process more than our share of rebates for removing landscaping that requires irrigation. Conservation actions prior to the index month should be acknowledged and credited.

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Unlike other areas of the State, we reuse our wastewater by having made the investment in Orange County's Groundwater Replenishment System (GWRS). Instead of wasting water to the ocean, we recycle the water from our sewers and return it for potable reuse over and over again. This tremendous expense was accepted by our customers in recognition of the value of water and quality of life it provides. It makes no sense that re-used water adds to our R-GPCD score. We rightfully deserve a credit that is subtracted from our score, not added.

Additionally, measuring R-GPCD from "production" numbers rather than metered consumption is not equitable. Every water utility is different. Each has differing requirements for non-revenue water used to protect water quality and Public Health through flushing, fire hydrant testing and maintenance, dust control, and other measures. Service areas greatly vary in topography, geography, and population density, which affects infrastructure requirements and affects production numbers. We bank extra water in reservoirs during fire seasons and during red flag weather alerts, which counts as increased production even though it may not be used until much later, and at times not at all for consumption. This one-size-fits-all approach (to accommodate systems that don't have customer meters) does not meet the spirit of water conservation. We highly recommend using customer metered consumption data to calculate R-GPCD, and for those who do not meter this may provide incentive to do so. Our data being utilized does not accurately reflect R-GPCD, and we are submitting adjusted data accordingly.

YLWD's service area is in a virtual wind tunnel in which arid Santa Ana winds create devastating fires that are fast moving and destructive. Fire destroys property and lives, and fighting fires consumes large volumes of water. It makes sense to strategically use water to irrigate areas to prevent fire rather than waste it in firefighting operations. The Freeway Complex Fire of 2008 clearly illustrates this danger and that horrific fear continues to this day with YLWD residents. Eliminating all outdoor irrigation during drought may seem reasonable to those in high-density areas, damp coastal climates, or areas of high precipitation, as they enjoy low wildfire risk, but use of water for some irrigation is not unreasonable in YLWD's service area.

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The 35% conservation standard proposed for YLWD, rather than a more reasonable standard that reflects conservation improvements already achieved, may cause unintended consequences. YLWD understands the severity of this drought, and the need for better conservation progress overall. Because of our large parcels and affluent community, for more than 100 years our successful business model placed the financial burden of balancing expenses on those who consumed water. This kept our base fee well below the average of more densely populated urban areas, and benefited our lower income and fixed income residents who generally use less water. In the spirit of lowering our R-GPCD, we have asked our large water users to reduce consumption, which has reduced revenue. Over the past 3 years we have gently increased our base fee to shift our business model as our density is increasing. We had planned to continue to shift our model gradually over future years (by smaller incremental base fee increases) to allow our community to adjust their lifestyle and personal budgets with as little financial hardship as possible. *However, imposition of an additional 35% water conservation standard will require an immediate shift of our business model to increase our base fee to recover the consumption revenue loss.* Instead of our current base fee which collects 20% of our annual operating and maintenance expense, this sudden additional 35% increase in water conservation will require us to immediately increase our base fee to collect more than 40% of these costs.

The threat of YLWD incurring fines from the State of \$10,000 each day will require further water rate increases to add staff for enforcement and customer complaints. Because of acceptable hours for watering, enforcement staff will need to work nonstandard work hours which increases labor and energy costs. Allocations by Metropolitan Water District (MWD) may also increase water rates to cover penalties. Our goal is to avoid fines and penalties by willing cooperation from the community. If YLWD receives a reasonable R-GPCD goal, YLWD and its ratepayers will continue to work as a team, rather than as adversaries, in further achieving water use efficiency. Willing cooperation always produces better results than the alternative.

We understand and appreciate the State taking action to solve our water crisis. YLWD and other Orange County water utilities have invested in expensive and expansive long-term solutions through increased storage, water recycling programs including GWRS, conservation education, landscape hardening, reduction of fire risk, Distribution System Leakage reduction programs, use of AMR technology to reduce customer leaks, and many other active water conservation measures. Our success is easily measured by our ability to support

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an increasing population, while decreasing water production. Imposition of a disproportionate goal to YLWD without recognition of our unique and specific service area requirements discussed above, and without regard to our conservation achievements, and without consideration of the financial impact to our community, should be avoided if we are to collectively survive this period of drought.

In summary, we specifically recommend the following actions to achieve the State's water conservation goal.

1. Revise the R-GPCD formula to utilize consumption data for those with customer meters, and use production data for those without customer meters.
2. Consider a single goal (rather than individual company goals) for managed basins like Orange County Water District. Alternatively, consider a goal for all of Orange County (Municipal Water District of Orange County). This should reduce administrative costs by dealing with less agencies, and also credit managed basin efforts in water conservation and recognize the reduction of imported water needs through proper groundwater management.
3. Allow a credit to the consumption data equal to the amount of water recycled through meters from recycling programs including GWRS.
4. Allow a credit that reflects conservation achieved since the State's 20X2020 program was implemented.
5. Weight the R-GPCD goal for each individual agency based upon environmental factors that affect the quantity of water necessary to support critical life functions. This includes adjusting for monthly average precipitation, monthly average temperature, fire hazard, soil types, etc.

Solving the drought problem in California is not just a conservation problem. We are essentially in a drought that has extended beyond 8 years, with the exception of a single wet year. Long-term solutions need to start now as conservation only goes so far. The State should take action to compensate for inadequate snowpack by creating additional reservoir storage. Snowpack melt and runoff too early in the season adversely impacts anadromous fish and watersheds, as it does our population.

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Developing engineered storage to compensate for inadequate snowpack would prevent loss of water to the ocean. Similarly, the State should react to early snowpack melt by developing methods to distribute this water to regions with reservoir storage. Capturing and distributing water destined to the ocean will increase supplies far beyond any other water conservation measure, and can be done to the benefit of anadromous fish.

In closing, we appreciate the opportunity to provide input prior to implementation of the Governor's Executive Order B-29-15. We formally request that the State Water Board consider our request to modify our reduction percentage goals for the aforementioned reasons. We hope the Board can appreciate that protecting Public Health and Safety is our utmost concern.

Sincerely,

Marc Marcantonio
General Manager

CC: YLWD Ratepayers
Orange County Water District, P.O. Box 8300, Fountain Valley, CA
92728
Municipal Water District of Orange County, P.O. Box 20895, Fountain
Valley, CA 92728

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