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July 14, 2014

Via email: commentletters@waterboards.ca.gov

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

Re: **Comment Letter – July 15, 2014 Board Meeting
Item 10: Emergency Water Conservation Regulations**

Honorable Board Members:

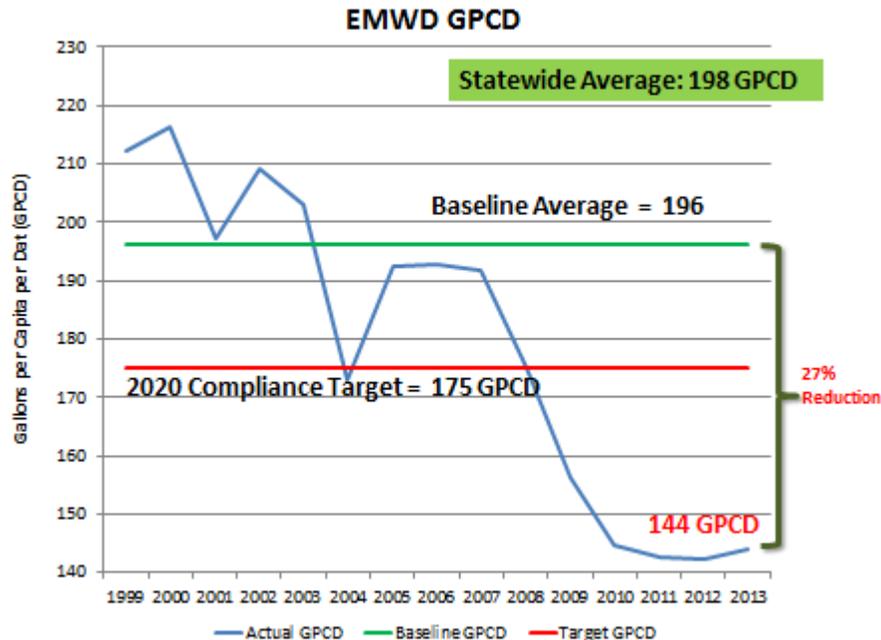
Eastern Municipal Water District (“Eastern”) appreciates the efforts of the State Water Resources Control Board (State Board) to take decisive actions to address the current drought conditions by considering the adoption of Emergency Water Conservation Regulations (“Proposed Regulations”) under the agenda item referenced above. Eastern offers the following comments for the Board’s consideration.

Reporting:

Our understanding of the Proposed Regulations provide that water agencies would supply a monthly report of water use with an estimate of gallons per capita per day (GPCD) used by our customers, compared with the same period in the prior year. While we believe this data comparison is appropriate, it may not provide sufficient information to the State Board to evaluate if an agency is efficiently using water already, or to determine how much an agency may be able to conserve further.

Under The Water Conservation Act of 2009 (Senate Bill 7x7), water suppliers are required to reduce their gallons per capita per day usage by 20 percent by the Year 2020, with incremental progress towards that goal by reducing per capita water use by a least 10 percent by the Year 2015. Many agencies have committed substantial resources toward meeting this statutory goal and are performing well. These agencies have already improved water use efficiency and have reduced their GPCD consumption through investments in both indoor and outdoor water conservation programs. As a result, these agencies’ demands are somewhat “hardened,” thereby limiting their ability to implement significant additional GPCD reductions in 2014.

By example, Eastern has already reached its targeted usage under SB 7x7, with an exemplary reduction in gallons per capita per day of more than 27 percent, exceeding our 2020 compliance target by over 30 GPCD, as shown below:



Eastern was able to accomplish this significant reduction through a combination of water use efficiency incentives and an allocation-based water conservation rate structure that provides strong pricing signals to customers to reasonably use water at all times, not just in times of drought. As such, more than 85 percent of Eastern’s customers on those tiered rates stay within their existing allocations for indoor and outdoor water use.

To provide the State Board the full perspective on an agencies’ demand reduction performance, we recommend that in addition to the reporting data required in the Proposed Regulations, that the State Board also collect and compile GPCD data that is consistent with SB 7x7 and the water use efficiency targets already codified by State Law.

Another factor the State Board may want to consider in its collection of data in order to better track conservation performance is local weather data. Weather fluctuations can have a significant impact on customer water consumption. To better determine and provide context for the amount of effective conservation from 2013 to 2014, the State Board should consider collecting basic temperature and other weather related data from agencies in addition to the GPCD reporting.

We believe the collection of GPCD data that is consistent with SB 7x7 and comparative weather data for 2013 and 2014, along with the requested GPCD data under the Proposed Regulations, will provide the State Board sufficient information and context to appropriately determine agencies’ conservation capabilities and overall demand reduction performance.

Achieving Mandatory Outdoor Use Restrictions through Allocation-Based Rates:

Eastern's Water Shortage Contingency Plan ("WSCP") is tied strongly to and enforced through our allocation-based rate structure, which, as noted above, encourages water use efficiency at all times, not just in times of drought. In addition, this type of rate structure provides the ability for agencies to further reduce customer's outdoor and indoor allocations, thereby economically compelling customers to further conserve through exposure to higher rates. The WSCP adopted by Eastern employs this method, along with specific outdoor use restrictions, by progressively reducing customers' allocations in the WSCP's mandatory reduction stages.

Such a rate structure has been demonstrated to achieve sustained demand reductions, and Eastern would advocate that the Board consider including an acknowledgment in the Proposed Regulations that mandatory use restrictions may be functionally achieved through this mechanism. One approach to such an acknowledgment would be to amend subsection (b) of Section X.2 in the following way:

*Section X.2 (b) "To promote water conservation, each urban water supplier shall implement all requirements and actions of the **earliest** stage of its water shortage contingency plan that **first permits the urban water supplier to impose** ~~imposes~~ mandatory restrictions on outdoor irrigation, **or shall implement another mandatory conservation measure or measures intended to achieve a reduction, comparable to the reduction specified in subdivision (c).**"*

We understand that Irvine Ranch Water District, who has a similar allocation-based rate structure, has submitted nearly identical language.

Proposed Fines:

The Proposed Regulations provide for a fine of up to five hundred dollars (\$500) for each day in which a violation occurs. It is not clear whether water agencies are expected to conform any existing fines or penalties within their Water Shortage Contingency Plans or other administrative policies to such a fine structure. It is further unclear whether the fines would be levied by the local water agencies, whether such mandate is expected to be funded by such agencies, or whether the money generated by such fines would be retained locally or remitted to the State.

Eastern believes that it would be most effective for local agencies' to use their discretion to set their fines and penalties in the context of their existing enforcement provisions, and that such monies be retained locally for the purpose of financing water use efficiency programs.

Once again, we appreciate the State Board's efforts and thank the Board for its consideration of our comments in the development of the Proposed Regulations. If we can be of further assistance to you or your staff, I can be reached at (951) 928-6130.

Sincerely,



Paul D. Jones, II, P.E.
General Manager

c: Eastern Municipal Water District Board of Directors
Debby Cherney
Nick Kanetis
Jolene Walsh
Brian Powell
Elizabeth Lovsted