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Securing Your Water Supply

January 28, 2016

The Honorable Felicia Marcus, Chair
Members of the State Water Resources Control Board
c/o Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



Delivered by e-mail to: Kathy.Frevert@waterboards.ca.gov

Subject: Western Municipal Water District Comments on Proposed Extension of Emergency Urban Conservation Regulation

Dear Chair Marcus and Members of the Board:

Since August 2015, Western Municipal Water District (Western) and other water suppliers have been meeting with State Board members and staff to actively participate in regular technical working group meetings to develop a set of reasonable adjustments to the existing Emergency Regulations. We expected that our constructive collaboration would address the disparities and flaws in the initial May 2015 regulations. The Western team was pleased to cooperate in the process and was optimistic that sensible parity would be gained for the benefit of our retail ratepayers, a community that has done **more than their fair share** of demand reduction and water saving over the last five to ten years. Our community is just one example of many similar communities that *prior to the Governor's drought declaration in 2014*:

1. Proactively invested in conservation programs that substantially reduced the demand for water;
2. Implemented progressive budget-based rate structures that provide a monthly efficiency signal for end users and penalize water waste; and
3. Developed drought-resilient water supply portfolios to secure access to water for efficient use in times of shortage and drought.

Western, in partnership with other water suppliers, invested hundreds of hours of staff time to research, test, and develop a climate-equity methodology designed to add a **fraction of fairness** to the May 2015 Emergency Regulations should an extension become hydrologically necessary. Western staff routinely traveled to Sacramento to present the methodology and testify on its merits. We provided a comprehensive Excel database to State Board staff to support the methodology and delivered multiple PowerPoint presentations that clearly explained the need for, as well as the value of, and the ultimate statewide impact of our proposed climate-equity adjustment. We submitted multiple comment letters to the State Board along the way to reiterate our concern for our customers that are suffering the loss of landscapes that are appropriate to our climate, and the degradation of property values because mature specimen trees and shrubs are in serious decline as a result of the inequity in May 2015 Emergency Regulations. It was our belief that our climate-equity proposal was well-received by the State Board for its accuracy, fairness, and minimal impact on the cumulative water savings statewide.

Considering the desire to act swiftly, it was understandable that the May 2015 regulations were hastily organized and likely to contain flaws. Since May 2015, however, the State Board has had abundant time and considerable assistance from many interested stakeholders to develop a more equitable methodology. Following a review of the resultant Draft Regulation released January 15, 2016, it appears that the State Board has elected to marginalize the efforts of the workgroup (climate-equity) and is introducing additional unnecessary complexity (growth adjustment) and inequity (eligibility of drought-resilient supplies). **The draft Extension of the Conservation Mandates falls significantly short of addressing the changes that are needed to establish a fair and technically sound Emergency conservation mandate.**

The State Board's counter-proposal imposes arbitrary limits to climate-equity, ignores the true water needs resulting from economic growth, and discounts real investments made by forward-thinking communities to diversify and secure their water supply. Western, like many Riverside County water suppliers, has long served as a model of the implementation of such local supply development. Through the use of brackish groundwater desalination, advanced recycled water treatment and application, as well as forward-looking planning for storm water capture and regional conjunctive use projects, Riverside water agencies have for several decades put into practice the same actions that the Administration has only recently called for on a statewide basis. **Proactive, responsible water management should be recognized, not penalized.**

We respectfully request the State Board consider modifications to the draft proposal released on January 15, 2016 and implement an adjusted proposal that fairly and completely accounts for the following in any final emergency regulations:

- ***Recognize both pre-2013 and post-2013 sustainable supply investments*** – Assigned conservation standards and adjustments to them should recognize all forward-thinking water supply investments. This avoids penalizing agencies that invested in sustainable local supply portfolios prior to 2013 and more equitably recognizes good water management and the resource planning needed for these investments. To recognize only post 2013 projects is unfair and does not recognize the true nature of the long-term supply planning and development process.
- ***Eliminate the three-tiered approach to the climate-equity adjustment*** – The assignment of three tiers and the de minimis reduction to the Conservation Standards do not meet the intent of the climate-equity adjustment. The goal of this modification is to provide a supplemental amount of outdoor water to suppliers and their customers in arid regions based on real climate need so that the health and vitality of California's botanical heritage can be maintained—especially mature trees and shrubs. If, for example, the deviation from the statewide average ET for a supplier is six percent, then that supplier should receive the full benefit of a six percent climate adjustment.
- ***Reconsider the 5-year data requirement for CIMIS station data*** – In newer growth areas of the state, CIMIS stations may have less than 5 years of continuous data. In western Riverside County for example, there are at least three stations that were installed in 2012 and lack five years of data.

- ***Allow water suppliers to use other than CIMIS station Evapotranspiration Data for the climate-equity adjustment*** – Some water suppliers do not have a specific CIMIS station within their service area. In addition to an option to select a CIMIS station in a reasonably adjacent community, allow the use of other verifiable data. Western, for example, uses a daily ET service for its water budget-based billing where every customer account is assigned to an ET microzone. The data is very accurate and uses extrapolated data from both CIMIS and NOAA stations. If the data is accurate enough for a supplier to use in its billing system, it should be acceptable to the State Board.
- ***Revisit and Clarify the Default service area ETo averaging calculation*** – It is unclear how the State Board calculated the Default service area ETo for July through September. At the December 7, 2015 public workshop, Western staff presented a PowerPoint slide highlighting the problems with using default values yet the State Board has elected to use a flawed and ambiguous methodology. Western recommends that in the interest of continuity with the R-GPCD calculations where population is a dominant factor in water use, the State Board use a population weighted approach to establish the statewide average ETo for July through September.
- ***Simplify the growth adjustment calculation and provide 100 percent of the water necessary to support efficient growth*** – The proposed growth adjustment is unnecessarily complicated. The simpler stakeholder proposal, presented on December 7, 2015 should be used instead. Furthermore, the draft calculation compares the percent of real growth in water demand to the May 2015 assigned Conservation Standard. This formula minimizes the effect of the adjustment and, therefore, continues to place water suppliers in a growth environment at a disadvantage in attempting to meet the assigned Conservation Standards.
- ***Revisit the Fact Sheet formula for the proposed Growth Adjustment*** – The proposed text of the Emergency Regulation clearly adds 55 gallons per new resident per day. The Water Board Fact Sheet multiplies the number of new connections by 55 gallons per day. This is a significant difference and must be addressed and/or clarified.
- ***Eliminate credit caps on adjustments*** – Placing a cap on adjustments disproportionately impacts regions and providers that are experiencing multiple factors simultaneously, such as climate and growth. Placing a cap on credits and adjustments continues the inequitable treatment of communities with warmer, drier climates, economic growth, and past investments in both pre-2013 and post-2013 sustainable supplies. The State Board has verbally recognized that credits and adjustments are necessary to address inequities in the Emergency Regulations, therefore, the full benefit of these credits and adjustments should be given to eligible agencies.
- ***Recognize conservation actions and efficiency measures put in place prior to the 2013 base period*** – The current methodology that set 2013 as a baseline to which all future reductions are judged is deeply flawed and negates the millions of dollars water suppliers have invested in demand reduction programs since the passage of the Water Conservation Act of 2009 (SBx7-7). Simply put, allow retail water suppliers to set their water production baseline to the monthly average potable water production prior to the passage of SBx7-7.

- **Recognize that even with complete equity adjustments, this rushed, short-term methodology for demand reductions and the measurement of efficient water use is severely flawed** – If it is fully vetted through a pilot program and implemented in a manner that does not force water suppliers to adopt specific rate structure designs, Western supports the concept of an Efficiency Standards approach as described in a comment letter executed by Inland Empire Utilities Agency, Moulton Niguel Water, and others. If such an alternative is to be considered, Western would offer the assistance and expertise of its staff as we implemented a budget-based approach in 2011, modified the budgets for drought in 2015, and will make further refinements in 2016.
- **Establish specific and timely criteria for ending the drought emergency** – The continued reduction mandates are resulting in “drought fatigue” for even the most ardent supporters of conservation. Local elected leaders and water professionals need concrete information that they can share with ratepayers and constituents to assure them that there is a plan in place to end the drought emergency. Ending the drought and communicating the “new normal” is an important aspect of moving into the next phase of water management in California.

Finally, the State Board will need to define a clear, unambiguous pathway toward defining what constitutes an end to the drought—or at least acceptable milestones to provide relief to agencies which have absorbed enormous revenue losses which, at some point, will take a toll on the integrity of the system.

We are all deeply committed to doing our part during the current drought and embracing efficient water use as a way of life in California. Our request is simple and rooted in protecting our customers’ and community’s quality of life. On behalf of our customers, we request that any additional or future mandates be fair and applied in a way that avoids disparate negative impacts on inland agencies, and provides some level of relief for suppliers who have been proactive in investing in both water use efficiency and in the development of alternative local supplies for drought resiliency.

Respectfully,



JOHN V. ROSSI
General Manager

cc: Director Al Lopez, President of the Board, Western Municipal Water District
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Senator Richard Roth, Senate District 31
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