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(2/2/16) Board Meeting- Item 7
Conservation Extended Emergency Reg
Deadline: 1/28/16 by 12:00 noon

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ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

January 26, 2016

Sent via Electronic Mail: commentletters@waterboards.ca.gov



The Honorable Felicia Marcus, Chair
and 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

RE: 2/2/16 BOARD MEETING (Conservation Extended Emergency Regulation)

Dear Chair Marcus:

The Orange County Water District (OCWD; the District) would like to thank you and the State Water Resources Control Board (State Board) for allowing public input on an extension of the emergency regulations to conserve urban water supplies. We value the work that the State Board and its staff have done and continue to do in addressing the challenges that exist within the state regarding the drought. We also appreciate recognition of sustainable water supplies, such as indirect potable reuse (IPR) and desalinated water, in the proposed emergency regulation. While we would like to keep dialogue open with regard to future emergency drought regulations, we support the proposal to increase sustainable water supply credits from the initial staff proposal of four percent up to the Board's proposed credit of eight percent.

We believe the proposed regulation is a good start. Incentivizing new investments in sustainable water supplies is critical to Californian's developing drought-resilient water supplies. OCWD developed the Groundwater Replenishment System (GWRS), which produces 103,000 acre-feet per year (afy) of recycled water and offsets water imported from the State Water Project. The District is in the final stages of expanding the project up to 130,000 afy.

Once OCWD has expanded the GWRS up to 130 million gallons per day (mgd), it will have spent approximately \$800 million in capital costs alone creating 130,000 afy of new water supply, which is about 30 percent of the total water needs within OCWD's service area. Additionally, the District may purchase 50 mgd of desalinated ocean water at approximately \$700 million in capital costs that would create another 50,000 afy of new water supply. Combined these two projects total \$1.5 billion and create 180,000 afy of new water supply, which is about 41% of total water needs in our service area. The proposed regulations the State Board has disseminated would give the District an 8 percent credit for this very large investment benefitting all of California.

Honorable Felicia Marcus
January 26, 2016
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The Governor's executive order includes the following statement: "If drought conditions persist through January 2016, the Water Board shall extend until October 31, 2016, restrictions to achieve a statewide reduction in urban potable water usage. The Water Board shall consider modifying its existing restrictions to address uses of potable and non-potable water, as well as to incorporate insights gained from existing restrictions."

As leaders in the water industry, we support the Governor's mandate for a 25 percent reduction in potable urban water demand. To meet these targets, we urge the State Board to promote and encourage California water suppliers to utilize diverse water management tools, including conservation, recycled water and desalination, to the greatest extent possible. The GWRS and Huntington Beach desalination projects would provide reliable sources of sustainable water supply that reduce the region's dependence on imported water sources from Northern California and the Colorado River that are vulnerable to drought.

Again, we thank you for recognizing IPR and proposing a credit of up to eight percent for sustainable water supplies. In addition, we respectfully ask that the State Board continue on the course to recognize investments in new sustainable water supplies by maximizing the exemption of both IPR and desalinated water from mandates to reduce potable water demand.

Thank you for considering our comments on the proposed regulatory changes to achieve statewide reductions in urban potable water usage. Please do not hesitate to contact Alicia Dunkin, Legislative Affairs Liaison with Orange County Water District at (714) 378-8232 or adunkin@ocwd.com or me if we may be of assistance to you or your staff.

Sincerely,



Michael R. Markus, P.E., D.WRE, BCEE, F.ASCE
General Manager

CC: Felicia Marcus, Chair, State Water Resources Control Board
Frances Spivy-Weber, Vice Chair
Tam Doduc, State Water Resources Control Board Member
Dorene D'Adamo, State Water Resources Control Board Member
Steven Moore, State Water Resources Control Board Member
Kathy Frevert, Staff, State Water Resources Control Board
Mr. Wade Crowfoot, Deputy Cabinet Secretary, Office of Governor Edmund G. Brown Jr.
Mr. Tom Howard, Executive Director, State Water Board
Mr. Eric Oppenheimer, Director of the State Water Board's Office of Research, Planning and Performance, State Water Board
Mr. Max Gomberg, Climate Change Mitigation Strategist, State Water Board