

General Manager

Robert S. Roscoe, P. E.



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January 28, 2016

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

Felicia Marcus, Chair
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814



Transmitted by email to commentletters@waterboards.ca.gov.

Dear Chair Marcus and Board Members D'Adamo, Doduc, Moore and Spivey-Weber:

Thank you for the opportunity to comment on the proposed Emergency Regulation for February through October 2016. We appreciate the State Water Resources Control Board (SWRCB)'s efforts to increase the equity of the current Emergency Regulation by providing various adjustments to the conservation targets. The addition of the climate adjustment to account for varying climate zones throughout the state shows a direct response to our region's request for assistance to help protect our valued urban forests from more permanent damage. Trees provide a plethora of benefits for our communities including contributing to energy savings, stormwater capture, dust control, wildlife habitat, improved air quality, and carbon sequestration.

In calendar year 2015, the Sacramento region reduced water use by 30% or 50 billion gallons compared to 2013. As of December 2015, several suppliers in the region have already exceeded their conservation targets for the current Emergency Regulation. However, this level of savings did not come without a cost. From January to September 2015, Sacramento Suburban Water District (SSWD) experienced a \$1.2 million dollar decrease in revenues in addition to an increase of conservation program costs of 80% compared to 2013. This story is not unique to the SSWD. It was experienced throughout the state and was documented by the Association of California Water Agencies (ACWA)'s November 2015 member survey. Our local communities, residents and businesses have significant additional costs of replacing landscapes and removing dead and dying trees.

We acknowledge the SWRCB's intent to respond to this drought emergency with a modified Emergency Regulation due to the uncertainty of 2016 water supply conditions. However, we urge the SWRCB to go further in providing adjustments for equity among the state. Climate, water supply situations, previous investments to "drought-proof" local supplies and many other factors make one-size-fits-all regulations patently inequitable. We believe the SWRCB needs to consider additional factors that were not incorporated into the proposed Emergency Regulation, and to clarify the hydrologic conditions under which the Emergency Regulation may be relaxed in the future. The actions the SWRCB takes now and later this year will have significant implications for local suppliers' credibility and level of trust with their customers, which will be important to achieving longer term water efficiency improvements and

responding to future droughts. The SWRCB's actions should more fully recognize water suppliers' investments in drought resilient supplies, or risk disincentivizing long term planning and preparation for future droughts.

Consistent with these important considerations, we offer the following recommendations for modifying the proposed Emergency Regulation prior to adoption:

1. Fully recognize water suppliers' investments in drought resilient supplies and expand the definition of local drought resilient supplies that are eligible for an adjustment. By only recognizing local drought resilient investments developed after 2013, the Emergency Regulation completely discounts the value of long term planning and implementation, and the billions of dollars water suppliers have already invested to be prepared for the current drought. SSWD has increased over \$100 million of ratepayer funds for infrastructure to sustainably bank groundwater in a conjunctive system that has banked well over 5 years of total supply under an approved groundwater management plan. ACWA included SSWD's conjunctive-use water supply in their Real World examples of local drought-resistant supplies that should be recognized in California's drought response in 2016. Presently proposed regulations ignore this significant investment as our District had the foresight to complete the investment before the SWRCB's completely arbitrary 2013 date. The clear message sent is to disincentivize advance drought planning as those who made the prior investments are cast in the same lot as those who did not plan and construct facilities for drought resistance.
2. Raise the cap on the climate adjustment to 8%. Other adjustments were expanded to allow for an 8% decrease in a supplier's conservation target, either individually or in total. Similar treatment should be afforded to those suppliers whose water demand is driven by a hot, dry summer climate. The proposed tiers should be adjusted as follows to account for an 8% cap:

>20% Deviation from State ET	8% Reduction
>15% Deviation from State ET	6% Reduction
>10% Deviation from State ET	4% Reduction
>5% Deviation from State ET	2% Reduction

3. Measure surface water deliveries at the point of diversion, not at the point where water leaves the surface water treatment plant. In times of drought, emergency measures are needed as there is not enough water for both human and environmental needs. To ignore transmission losses and treatment losses does not provide incentive for agencies to address significant quantities taken from the rivers and lakes that don't make it to the end of the surface water treatment plant. Gallons per capita per day for groundwater supplies are measured at the wellhead. Surface water supplies should similarly be measured at the point the water is no longer available for environmental needs, at the point of diversion.

4. Provide clear criteria for how hydrologic and water supply information will be used to consider modifying the Emergency Regulation as 2016 proceeds. Water suppliers need more certainty to adequately plan for water supplies, conservation programs, and revenues throughout 2016.
5. Consider mechanisms by which the Emergency Regulation may be modified to recognize significant regional water supply differences that will develop through 2016 and beyond. To continue onerous emergency regulations on the entire state when local regions may no longer have drought issues imposes unnecessary costs, threatens urban forests and may provide no benefit to the environment or other regions. Relaxing conservation targets in areas of the state where water supply conditions have significantly improved from 2015 is an appropriate approach to managing the ongoing drought. Prolonging the Emergency Regulation without demonstrated local need violates customers' trust and risks customer compliance with future drought regulations.

The District concurs commentes submitted by Regional Water Authority and ACWA comments.

Thank you for the opportunity to provide our comments. If you have any questions, or would like to discuss our comments in further detail, I can be reached at (916)679-3994 or thru emial at rroscoe@sswd.org .

Sincerely,



Robert S. Roscoe
General Manager

cc: John Woodling, RWA
David Bolland, ACWA