



CALIFORNIA WATER SERVICE

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



January 28, 2016

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

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

Dear Chair Marcus and Members of the Board:

California Water Service (Cal Water) appreciates the opportunity to provide comments regarding the Proposed Extended Emergency Regulation (Proposed Regulation). We thank the State Water Resources Control Board (State Water Board) and staff for your leadership and for this opportunity to provide comment.

Cal Water serves about 2 million people through 478,000 service connections in California and has provided water service in the state since 1926. We have developed a comprehensive, customer-first, drought response program that has allowed us to work cooperatively with our customers to achieve significant reductions.

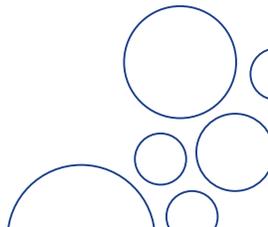
Our comments are specific to the Proposed Regulation. Any consideration of long-term, permanent regulations regarding conservation and water use reductions should be considered in a separate proceeding. The issues surrounding the need for emergency reductions and those required as part of a long-term strategy differ in significant ways. Any future discussion of an appropriate long-term strategy should be handled in a deliberative manner that takes into account the long-term needs of the State and the associated impacts of additional regulations in order to achieve an effective, balanced approach.

Our comments focus on the following elements of the Proposed Regulation:

- Review and adjustment of the mandated reduction percentages in April 2016
- Elimination of the cap on credits or adjustments
- Inclusion of credit for high fire hazard areas

Review and Adjustment of the Mandated Reduction Percentages in April 2016

It is critical that any extension of the Emergency Regulation accounts for current water supply conditions while providing urban water suppliers with the clear direction needed for planning purposes. As such, Cal Water recommends that the State Water Board reviews the mandated





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reduction percentages in April 2016 and puts in place a mechanism that is tied to the April 2016 snowpack report and primary State reservoirs to adjust reduction requirements, accordingly.

Improvement in water supply conditions may allow for a downward adjustment to the State reduction goal, with related downward adjustments to the reduction requirements of individual water suppliers. It is important that the reduction requirements continue to reflect current water supply conditions in order to ensure that residents and stakeholders have confidence in the process and requirements.

We are supportive of a method similar to that proposed by the California Water Association in its comment letter. By implementing this approach, suppliers would have the opportunity to maximize planning efforts, develop an appropriate implementation schedule, and pursue communication to customers in a manner that is most impactful and cost-effective.

Elimination of the Cap on Credits or Adjustments

In the Proposed Regulatory Framework, staff recommended “that all credits and adjustments be capped to allow a maximum of a four percentage point decrease to any individual water supplier’s conservation standard (tier).”

The Proposed Regulation increases this cap on credits and adjustments to a maximum of an eight percentage point decrease.

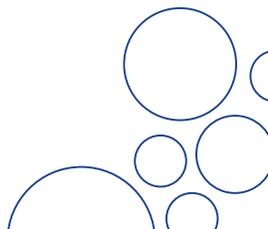
We would reiterate the position provided in our previous comments on the Proposed Regulatory Framework that an individual water supplier should not be limited to a portion of its adjustment, simply because it may be impacted by multiple elements such as climate and growth. Cal Water recommends that this cap be removed to provide the full, appropriate adjustments for water suppliers that meet the criteria established for the adopted credits and adjustments.

Inclusion of Credit for High Fire Hazard Areas

Executive Order B-36-15, issued by Governor Brown on November 13, 2015, recognizes the significant risk of wildfire during this drought emergency.

WHEREAS wildfires have damaged critical infrastructure, including power plants, and hundreds of thousands of acres are and continue to be vulnerable to debris and mudslides due to scarring from significant wildfires in recent years; and

WHEREAS the magnitude of the severe drought conditions and wildfires continues to present threats beyond the control of the services, personnel, equipment, and





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facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558 (b) of the Government Code, I find that conditions of extreme peril to the safety of persons and property continue to exist in California due to water shortage, drought conditions and wildfires; and....

Cal Water recommends that the State Water Board recognize the impact of high mandated reduction percentages on areas designated as high fire hazard areas by Cal Fire. In keeping with the structure of the Proposed Regulation, we would recommend the inclusion of a four-percent reduction (one tier) for water suppliers that are included in Tier 8 and 9 and have the appropriate fire hazard designation from Cal Fire.

Cal Water has been working with Cal Fire on education materials for our customers and requests that these fire-prone areas be recognized with a credit. This credit is consistent with Executive Order B-36-15 and would provide a balance between necessary water reductions and the critical issue of protecting health and safety.

Again, Cal Water appreciates the opportunity to provide comments and looks forward to working with the State Water Board and other stakeholders on this and other related issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Dean".

Shannon Dean
Vice President, Corporate Communications and Community Affairs

Cc: Commissioner Catherine J.K. Sandoval, California Public Utilities Commission
Jamie Ormond, Water & Legal Advisor to Commissioner Sandoval
Rami S. Kahlon, CPUC Director, Division of Water & Audits

