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Attached are the comments as submitted by Tuolumne Utilities District regarding the Governor's 2020 Water Conservation Plan. Thank you, Casey

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2020 Water Conservation Plan Comments

Submitted by Tuolumne Utilities District
May 22, 2009

The Tuolumne Utilities District (TUD) thanks you for the opportunity to provide comments on the Governor's Water Conservation, Statewide Implementation Plan (Draft), April 30, 2009.

TUD understands that this is a subject of significance to the management of the State's water resources and a key component of the State Water Plan (update), Bulletin 160-09. We support water conservation measures and fully well appreciate the importance of the use of District water resources in the most efficient manner. The resource management ethic extends from the watersheds in the Sierras, from which our supplies originate, to our wastewater recycling program that supplies nearly 550 acres of agricultural land with irrigation water. Additionally, the District is working within the framework of an Integrated Regional Water Management Program for the Tuolumne and Stanislaus watersheds. In short, the efficient use of water resources through all aspects of management is a priority with our District.

We wish to thank the 20x2020 Agency Team for all the time and effort they put into the development of this Plan. We believe that through refinement it can become one more element of California's key water management strategies. Previously, the District's consultant submitted comments on the Governor's 20 x 2020 Conservation Team Public Draft Technical Memorandum, Task 1 (Offices of John S. Mills, 9/22/08).

A critical aspect of this Plan is the information it will provide to the Legislature and the Administration in the crafting of sound water policy. There are currently three proposed bills (AB49, SB 261 and SB 460) that attempt to deal with the subject matter of this Plan. It is therefore essential that the Plan be written clearly as to what specific measures are being recommended in both the Executive Summary and in the general text of the Plan. We also urge that where there is any doubt about the meaning of a term that the Plan provide a clear definition. Such clarity will be invaluable if incorporated into statute.

We have specific comments provided on a page-by-page reference to the Plan. However, we offer general comments that are more strategic in their nature.

We disagree with the Plan scale and scope. The objective of achieving “...a 20% reduction in per capita use...”, as referenced on page 2 is reasonable. However, the interpretation that the reduction is to only be achieved with potable water savings will disproportionately and inefficiently place burdens on water agencies and users. There is no logical reason why this Plan should not consider system wide efficiencies in California water systems. There are many cost effective and beneficial efficiencies which may be accomplished through the use of improvements to raw water conveyance systems that are not captured within the “harness” of options identified in the Plan.

The District’s consultant made specific comments to the 20x2020 Conservation Team on this topic on 9/22/08 as previously referenced. We do not understand why the Team chose to not provide for a more flexible, cost effective and efficient method to achieve desired goals. In the current fiscal situation for our state we should be implementing the most efficient measures possible in the most cost effective way. For many areas in California the present Plan simply does not allow for that because it excludes raw water conveyance delivery system efficiencies from eligibility.

The very premise of setting a goal is to then allow for the responsible parties to find the most efficient methods to comply with the goal. Instead, this Plan has taken the reverse approach and set both a goal and specific parameters on how to accomplish the goal. Further, the Plan does not allow for the available implementation of system wide efficiencies that could be implemented in concert with other management strategies.

What the Plan should provide is a clear objective (a 20% reduction in all urban water system use by the year 2020). The Plan should identify a desired outcome. Secondary would be the implementation by the responsible water entities and it would be their responsibility to reach the objective by a focus of effort and resources.

It is understandable that the Plan would refer to existing Best Management Practices as identified in the Memorandum of Understanding developed by the California Urban Water Conservation Council (Amended 12/10/08). These represent policies, programs, practices, rules, regulations or ordinances or the use of devices, equipment or facilities which would lead to water efficiencies when implemented by a municipal water agency.

However, optimization of raw water conveyance to municipal systems should also be an eligible conservation measure. Indeed, during the 2008 BMP and MOU revision process of the CUWCC, the Council’s Steering Committee directed their staff to pursue the development of new BMPs for non-potable water including raw water and storm

water during 2009. The ultimate goal was to include the non-potable water use and its associated conservation into a water agency's calculations of water conservation to show progress in reducing gallons per capita per day (GPCD) in municipal systems.

In an analysis of the District's own raw water conveyance system completed in 2003 the significance of raw water conveyance as a potential area to increase system wide efficiency was identified. The local raw water conveyance system includes open gold-rush era ditches and flumes with conveyance losses of approximately 47%. This loss factor is typical of many of the Sierra Nevada foothill and mountain water systems that are still served by these old conveyance systems. These savings could be dramatic and cost effective and carried out providing a broad spectrum of benefits to both the water users and the environment. Unfortunately, improving the raw water conveyance system is quite expensive and the District cannot afford to make those improvements within its own Capital Improvement Program budget. This situation, with similar small scale raw water conveyance systems, is found in both the San Joaquin hydrologic region and the Sacramento River hydrologic region.

The District strongly recommends that in any comprehensive objective for water conservation include small raw water conveyance systems that carry municipal supplies. This would include raw water conveyance systems that total hundreds of miles of open ditches and flumes within the Sierra Nevada mountains and foothills.

Page specific comments follow.

Page 13, Table 3. Could you clarify exactly what is included in the Sector Water Use labeled "Un-Reported Water". The details provided on page 3 of the introduction also only include some, but not all types of this category.

Page 14, Table 4 and last paragraph. Outdoor use of water within our District shows a "mix" of municipal and rural agricultural uses. For example, outdoor water use in rural municipal water systems may also include stock watering, orchard and garden watering and some small vineyard use. This is typical in smaller residential parcels (less than 40 acres and generally less than 5 acres) which still have significant agricultural benefit in the local community.

Page 16, mid page. *"A measure is regionally cost-effective if the cost per unit of savings (\$/AF) is less than the cost of the most expensive supply measure currently available regionally."* That sentence does not describe the method our District makes investment decisions. A measure would be reasonably cost effective if it was a less than significant amount more than the least expensive supply measure currently available. The second most expensive method to acquire more water is not the most efficient unless there are only two choices.

Page 20, sixth bullet item. We note that the measures identified for initial focus and support include *“Aggressive reduction in non-revenue water beyond BMP 3”*. We urge that the definition of non-revenue water be expanded to include those water losses of not only treated (potable) water, but also raw water losses in municipal conveyance systems.

Page 20, final paragraph. This conclusion is not accurate in systems which have a water price based on charges per unit consumed at an increasing rate per unit used. Water pricing generally is an effective control on excessive outdoor water use.

Page 21, third paragraph. What does the term *“...all water suppliers or others...”* mean? Please clarify exactly what categories of water agencies would fall under this definition.

Page 21, fifth bullet. We do not believe that non-revenue water can be brought down to no more than 10% of total production in many rural water systems. First, no credit is to be given for raw water efficiencies and second, many of the older existing water treatment plants do not even achieve a less than 10% non-revenue loss standard. We believe this is an example of spending excessive fiscal resources to chase an objective that could be much more cost effectively achieved if left up to the water agency.

Page 22, Landscape Practices section. *“Many utilities use irrigation restrictions during a prolonged drought or when water reservoirs run low. This can be practiced all year every year to some extent to improve water conservation and reduce GPCD.”* This approach to water management is irresponsible. Emergency water cutbacks are for emergencies. There is no reason that either regionally, by Integrated Regional Water Management Region or even by individual agency, that improvements in water efficiency cannot be carried out. However, to artificially declare an outdoor water use emergency, or to use that standard on a regular basis would soon raise questions about the more efficient, and less cost effective water management tools that were not implemented in favor of this more onerous provision.

The assumption that *“one day per week ... irrigation”* is feasible depends on the location, the prevalent climate and the landscape feature or small rural agricultural operation being irrigated. The Plan must capture the phenomena of small rural organic gardens, family orchards and other valuable operations that populate this State. These operations are not large-scale commercial operations and the majority are supplied by municipal treated water. Due to water system limitations these are not operations that can be switched over to raw water deliveries.

This underscores the need for the Plan to provide for significant regional flexibility in reaching the desired objective.

Page 23, Recycled Water. Please note that not all recycled water programs “displace” per capita use of treated municipal water. Many in rural areas displace other raw water irrigation supplies, but that does not translate (due to the problem with the Plan’s limitation on how to measure progress relative to raw water conveyance savings) into municipal savings of GPCD.

Page 25, Statewide Targets, Table 8. The District believes that the stated 2015 and 2020 target regional averages are realistic, but only if they provide significant system wide flexibility to the individual agencies including raw water conveyance elements of municipal systems.

Page 29, Recommendations, item 1.c. We agree that improved data collection and a statewide database would be helpful in tracking progress. However, we urge that any such system take advantage of existing and emerging data collection systems. The new system should not be duplicative or redundant to any existing collection and reporting system. We strongly urge that this highly technical subject be handed off to a workgroup of those specific experts available to provide input to the Plan from local and regional agency staff.

Page 29, Recommendations, item 5.a. We do not support a State mandated water pricing structure. Each water agency in California has a system that is somewhat unique to its service area, water source(s), customer base, and other available revenue streams. The concept of a one size fits all water price structure in California’s municipal ranks would be a tragic mistake. We strongly urge the final plan avoid mandating water pricing to local agencies.

Page 30, item 8.b. We strongly support the establishment of a cap-and-trade regime for water. This approach would be highly adaptable to the emerging Integrated Regional Water Management Plan programs and would allow the “balancing” in a larger regional context, a broader array of water conservation investment strategies than would be available in an agency by agency basis. Additionally, this approach would stimulate cross agency boundary cooperation and further the efforts of the States IRWM Program to seek out sustainable regional solutions to water management.

Page 30, Establish targets and goals in statute. If progress towards regional objectives is measured by regions, how will “consequences” be allocated? By hydrologic region, IRWM region, watershed? Please clarify.

Page 30, sixth bullet. The statement, “*The law should accommodate, encourage and support emerging regional water management entities and allow for regional compliance.*” is a very good idea. We strongly support the combination of regional compliance combined with a cap and trade program within any implementation legislation.

Page 30, eighth bullet. We urge that the legislation allow for the inclusion of local raw water conveyance facilities that serve municipal systems. This provision, combined with regional compliance and a cap-and-trade program would allow for cross boundary agency cooperation and investment in the most cost effective improvements to achieve target conservation objectives. We would be happy to provide additional information to the Staff on this subject.

Page 31. If the DWR is the overall agency with leadership and coordination roles for this program we urge that it be done through the Department's Office of Planning and Local Assistance.

Page 32, Table 10. The information on this table underscores the importance of developing a stakeholder group to work with DWR and other agency staff to develop an efficient and useful data collection, reporting and analysis process. We urge that this be done in advance of regulations or legislation on this important aspect of the Plan.

Page 34, Reduce landscape irrigation demand. The particulars of achieving water conservation target objectives should be left to the specific circumstances of each local agency , regional agency, IRWM Region or Hydrologic Region. As we noted earlier not all outdoor landscaping in California is lawns in urban settings. There is a significant part of California that is rural and use water outdoors for other productive and beneficial uses. The price of that water in our District holds down waste but the availability of that water allows the beneficial production from small family orchards, vineyards, gardens and livestock raising. This is a critical area to rural California and to our District and we urge that the Plan recognize that not all landscapes are "urban".

Page 36, revise water loss BMP to incorporate improved methodologies. Again, we urge that the unaccounted for (non-revenue water) amount of water calculated include local raw water conveyance systems that serve a municipal system(s).

Page 39, Establish a public goods charge to provide stable funding for water management. Our District would oppose such a charge at this time. This is a period of even more significant challenges than previous years for local water agencies. There is little room left in rate structures to accommodate even necessary investments in local system improvements. Sending funding off to the State at this time is not something we advise or support.

It is unclear what the amount of the "goods charge" would be or what % return on payment to the area it was collected from. Additionally, the discussion on the charge only addresses the water conservation subject. If unfortunately there was a water "goods charge" more study is needed For example, there should be a systemic examination of California's natural infrastructure (watersheds) and the lack of investment into those watersheds by those interests who benefit from the use of the

product of those watersheds: a clean, reliable water supply and what appropriate reinvestment back to the watersheds should be made. Any discussion of a “goods charge” for water resources should examine a much broader subject area than just water conservation and should be done only after greater study.

Page 42, Investigate a cap-and-trade regime for water conservation. The District strongly supports this approach to seeking mutually beneficial, cost effective methods to achieve compliance with stated objectives. We are particularly of interest in the potential for such a regime to work within the context of an Integrated Regional Water Management Program. These emerging efforts combine multiple local, state and federal agencies along with many local governments, non-governmental organizations and tribes in a manner that could maximize such a program. We urge that the design of any cap-and-trade program include additional input from stakeholders in the water community.

Page 45, Implementation Barriers and Recommendations, second bullet. The existing standards for IRWM Plans, as well as those anticipated in the DWR Guidelines for Proposition 84 IRWM Plans to be issued later this year, will require that all IRWM Plans consider every Resource Management Strategy that is proposed in the State Water Plan Update (Bulletin 160-05 and 160-09). Therefore, IRWM Plans and programs must evaluate conservation measures as one approach to water management not the (one and only) approach. In our view, competition is a sound method to achieve the most efficient system.

The Resource Management Strategies in the State Water Plan were included after much public discussion and hundreds of hours of work by staff, the Advisory Committee and other stakeholders and the public. The Resource Management Strategies in the State Water Plan are, where appropriate, logical and efficient method to achieve stated State Water Plan objectives. It is therefore, to be expected that there will be some Resource Management Strategies that will perform in a superior fashion in a particular region to efficiency improvements. That sort of outcome should be expected given the State’s broad diversity of topography, watersheds and water systems.

A significant implementation barrier in sound water management is the failure of the 20x2020 Plan to address the potential efficiencies of improving small raw water conveyance systems that serve municipal water systems. The 2020 Plan therefore, becomes the barrier to achieving significant water savings.

The District’s latest estimates show that there are potential savings approaching 50% in our raw conveyance system. Yet this Plan neither recognizes that potential savings, nor would provide credit to efficiencies made in that system. That is a significant failure in the Plan.

END