



May 22, 2009

20x2020 Agency Team
Department of Water Resources
1416 Ninth Street
P.O. Box 94236
Sacramento, CA 94236

Subject: Comments on Draft 20x2020 Water Conservation Plan

Dear 20x2020 Agency Team:

California Urban Water Agencies (CUWA) believes that the Governor's call to reduce per capita water use statewide by 20 percent in 2020 is an achievable goal. Our member agencies have been pursuing aggressive conservation measures for many years and are working hard to implement even more aggressive measures in response to the Governor's call and the current drought. CUWA appreciates the opportunity to provide comments on the Draft 20x2020 Water Conservation Plan (Draft Plan). CUWA requests that the following issues be addressed as the 20x2020 Agency Team prepares the Final Plan

An Agricultural Conservation Plan is Needed – Agriculture uses more than 80 percent of the water diverted from streams or pumped from groundwater while urban areas use only 20 percent. The Draft Plan acknowledges that agricultural water use must be more efficient to achieve a reduction in overall water use yet the 20x2020 Agency Team does not recommend that an agricultural conservation plan be developed. This recommendation should be included in the Final Plan. Cost-effective technically feasible best management practices (BMPs) that maintain the economic output of the agricultural sector should be identified in the agricultural water conservation plan.

The Regional Targets are Preliminary Estimates that must be Updated and Should not be Established in Statute – The regional targets are based on limited data on per capita water use in each region, and assumptions on water savings due to code changes, various BMPs, and grant funding. The 20x2020 Agency Team clearly stated in Technical Memoranda Nos. 1 and 2 (TM 1 and TM 2) and in the Draft Plan that the quality of data used in the analysis needs to be substantially improved before the targets are used as anything other than voluntary targets for planning purposes. *“...the analyses provided in this 20x2020 Plan should be treated as initial estimates, based on the best available information. An important step in implementing this 20x2020 Plan will be to standardize and improve the data collection process.”* (page 11 of the Draft Plan). Yet, in the Draft Plan the first recommendation is to *“Establish targets and goals in statute.”* The Agency Team should not call for establishing the regional targets in statute on the basis of poor quality data, as recognized by the team in TM 1, TM 2, and the Draft Plan. CUWA requests that this recommendation not be included in the Final Plan. The Final Plan should contain a recommendation to revise the targets in 2015 based on the higher quality data that will be collected in the next five years.

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The 20x2020 Agency Team Should Propose Several Methods for Scaling Down Regional Targets to Water Supplier Specific Targets - The 20 percent reduction in per capita water use will be implemented by individual water agencies, not on a regional basis. The Draft Plan has a significant deficiency because it does not describe how the regional targets will be scaled down to individual agency targets. The Draft Plan discusses reporting and assessing compliance at the regional level but there is no entity or mechanism for reporting regionally. There are tremendous differences in water use within hydrologic regions, due to climatic differences, housing density, commercial development variations, and differences in the extent of conservation programs. Without any discussion of how the regional targets should be scaled down to individual water agency targets, it would seem that every water agency within a hydrologic region would be assigned the regional target, without consideration given to all of the factors that affect water use or to past conservation efforts. The Final Plan should propose several alternative methods for translating regional targets to individual water agency targets. Individual water agencies would then be able to select the method that best suits their situation.

The Basis for the Savings Estimates Should be Described - Many of the savings estimates came from the CALFED Bay-Delta Program's *Water Use Efficiency Comprehensive Evaluation*. There were numerous problems with that report that undermine its conclusions. In addition, the basis for many savings estimates in the Draft Plan is not described, and savings estimates for individual measures are different in the Draft Plan than the estimates presented in TM 4 and TM 5, with no explanation of why the numbers changed.

The Final Plan Should Focus on Wasteful Practices and Discretionary Water Use – The Final Plan should clearly state that the 20 percent reduction in per capita water use will be achieved by targeting wasteful practices and discretionary water use rather than targeting water that drives the economic engine of the state. Once all cost-effective commercial, industrial, and institutional (CII) measures have been implemented, further reductions in water use will have a negative impact on the economy. Business and industry must be involved in determining efficient water use in the CII sector.

Uniform Data Collection and a Simple Reporting Mechanism are Needed – CUWA agrees with the 20x2020 Agency Team that a uniform data collection and data management system is needed to obtain accurate information on water use and conservation efforts that can then be used to revise the targets. Any data reporting system that is developed needs to consider the reporting that is already prepared for the California Urban Water Conservation Council (CUWCC) and for urban water management plans, to avoid redundant reporting by water agencies to a state agency.

The Metering Deadline Should be Accelerated - CUWA supports metering of all customers in the state as soon as possible. It will be difficult to conserve water in areas of the state that are not metered because customers have no knowledge of how much water they are using and no economic incentive to save water. CUWA suggests that financial incentives for submeters and for installation of “smart” meters be included in the Plan.

The State Should Not Mandate Specific Conservation Measures – Many of the recommendations call for mandating specific measures (landscape irrigation BMP, conservation pricing structures) or investigating requirements (total or partial conservation offsets). Methodologies should be established to set individual agency targets, and individual agencies should then be responsible for meeting those targets with conservation measures that are best suited to their service areas, rather than being required to implement measures mandated by the state.

The State Should Not Mandate a Public Goods Charge – There is a fundamental flaw in attempting to “transplant” the public goods charge, as instituted in the investor-owned energy utility (IOU) sector, into the public water agency universe. IOU electrical utilities retain the funds generated by the public goods charge to finance efficiency programs that benefit their own ratepayers, who actually pay for such programs in their electrical bills. By contrast, the “public goods charge” proposed in the 20x2020 Plan is a de facto tax that would redirect ratepayer funds into programs that could be implemented anywhere in the state. This would be a grave disservice to ratepayers within water agencies that have already made substantial investments in water conservation. The 20x2020 Agency Team should devise other incentives for water agencies that have failed to plan and invest sufficiently in water conservation. CUWA urges the 20x2020 Agency Team to recognize that the public goods charge may have the unintended consequence of diverting scarce resources, and adding unnecessary hurdles for greatly needed investments in conservation. CUWA requests that the public goods charge not be included as a recommendation in the Final Plan.

CUWA looks forward to working with the Agency Team to implement conservation activities that will achieve the Governor’s goal. Please contact me if you have any questions on our comments.

Sincerely,

A handwritten signature in cursive script that reads "Elaine M. Archibald".

Elaine M. Archibald
Executive Director