

From: "Tony Francois" <tfrancois@ka-pow.com>
To: 2020Comments@waterboards.ca.gov
Date: Fri, May 22, 2009 1:00 PM
Subject: Comments and request for extension of comment period

Attached please see, as initial comments, a coalition letter that addresses concerns with the treatment of commercial, industrial, and institutional water use in AB 49 (Feuer and Huffman) now pending in the legislature. The signatory organizations respectfully request that you accept more extensive written comments next week, prior to the workshop. Please direct any questions to me at tfrancois@ka-pow.com or (916) 835-3966.

Thank you,

Tony Francois

KP Public Affairs

CC: "Tony Francois" <tfrancois@ka-pow.com>

California Chamber of Commerce
California Farm Bureau Federation
California League of Food Processors
California Manufacturers and Technology Association
California Nevada Soft Drink Association
California Retailers Association
Chemical Industry Council of California
Grocery Manufacturers Association
Industrial Environmental Association
Santa Barbara Technology and Industry Association
Solano County Water Agency
Western States Petroleum Association

May 22, 2009

The Honorable Kevin de Leon
Chair, Assembly Committee on Appropriations
California State Assembly
State Capitol
Sacramento CA 95814

Re: AB 49 (Feuer & Huffman): Water Conservation **Oppose**

Dear Chairman de Leon:

The above listed organizations are opposed to Assembly Bill 49, as amended April 13, due to the arbitrary manner in which it addresses water conservation in the commercial, industrial, and institutional (CII) setting.

Many of our member businesses have made significant investments in water use efficiency, consistent with their business models, customer and marketing considerations, technological feasibility, and cost-effectiveness. Any legislation addressing use of water in the CII setting must take into account significant actions that have already been taken (particularly in the area of recycled water use), the vast complexity of water use in this setting across different regions, industries, and economies of scale, and the ability to increase production on stable and reliable water supplies. We would propose the attached principles as a guide.

AB 49 suffers three critical flaws. First, it measures efficiency of water use in the CII setting by the arbitrary measure of gallons per day per capita among residences in the supplier's service area. This is a meaningless measurement in the CII setting. Second, the bill combines residential and CII water use into one target. Third, it fails to allow for compliance with any imposed water efficiency target by expanded use of

recycled water unless that expanded use is offset by reductions in the amount of potable water delivered within the service area.

In addition to the above policy flaws, the bill also requires significant water conservation actions be taken by the State of California, and we do not see those costs reflected in the Appropriations Committee analysis of the bill. We believe those costs would be quite significant, and while those actions may have long term benefit, it is highly questionable whether those are the best expenditures of state funds in the current fiscal environment.

cc: Assemblymembers Feuer and Huffman
 Assemblymember Nielsen, Vice-Chair, Assembly Committee on Appropriations
 Members, Assembly Committee on Appropriations
 Staff, Assembly Committee on Appropriations
 Assembly Republican Policy Staff
 John Moffatt, Deputy Legislative Secretary, Office of the Governor
 Kasey Schimke, California Department of Water Resources

Principles for Addressing Commercial, Industrial, and Institutional (CII) Water Use Efficiency in the Urban Setting

CII water use should be accounted for separately from residential and agricultural use. Efficiency and conservation in the CII setting is not as well understood or easily characterized as in either the residential or agricultural setting. For this reason, efforts to quantify CII use based upon gallons per capita per day, arbitrary percentage use reductions, or similar metrics, are meaningless. A reasonable approach to CII includes two elements: (1) reasonable compliance with the California Urban Water Conservation Council BMPs for CII, as those may be amended from time to time, and (2) the establishment of a task force (convened by the CUWCC) to provide recommendations to the legislature for any meaningful non-arbitrary measures for further achieving reasonable efficiency improvements in CII water use.

Reasonable compliance with CUWCC BMP's for CII include:

- Protection of CII customers who have already implemented measures that are identified in the BMP
- Credit for prior development of recycled water projects that serve CII uses or customers
- Preference for increased efficiency (improving productivity on stable water use) as opposed to absolute reductions in water use
- Local cost-effectiveness to districts and customers, and
- Regional achievement of any performance targets

Principles that would be included in the work of the task force:

- Metrics which are appropriate to the water use in question
- Appropriate consideration of water used for cooling in manufacturing processes
- Appropriate consideration of water used as an ingredient in manufactured goods
- Local cost-effectiveness
- Appropriate credit for use of recycled water, and issues associated with quality of recycled water
- Consideration of the regional nature of projects that would provide significant recycled water supplies to CII uses
- Consideration of regional achievement of objectives
- Consideration of the need for offsite public infrastructure to provide significant recycled water supplies to CII uses

Members of the study commission would include representatives of DWR and SWRCB, retail water suppliers in Northern and Southern California, appropriate trade groups and organizations representing CII water users, and environmental organizations. All recommendations would have to be consensus (100%), and funding would come from the participants. A similar recent example is the urban landscaping taskforce, see <http://www.owue.water.ca.gov/landscape/ord/updatedOrd.cfm/#PageTop>.