

RESIDENTS for RESPONSIBLE DESALINATION * SOUTHERN CALIFORNIA WATERSHED ALLIANCE * COASTAL ENVIRONMENTAL RIGHTS FOUNDATION

January 6, 2015

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

Sent via electronic mail to: Kathy.Frevert@waterboards.ca.gov

RE: Comments on Proposed Regulatory Water Conservation Framework

Dear Chair Marcus and Board Members:

On behalf of the community organizations listed below, we are writing in support of extending the mandatory conservation regulations outlined in the Proposed Regulatory Framework for Extended Emergency Regulation for Urban Water Conservation (Framework). **However, for the reasons stated below we strongly oppose exemptions to the rule requested by numerous water purveyors.**

Mandatory Conservation Regulations are Still Necessary

The Governor and State Water Resources Control Board took the proper and necessary steps by mandating a 25% reduction in demand from 2013 levels when it was clear that the environment and economy were suffering from over-drafting surface and groundwater resources, and reserves were dwindling across the State during the drought. **We support leaving those same standards in place until environmental flows are restored and our surface reservoirs and groundwater basins are recharged.**

It is important to remember that the previous “voluntary” call by the Governor was met with resistance from local water purveyors who argued the very same excuses as we hear today: “we developed local supplies”; “our service area is hotter and drier”; “we’re experiencing more growth.” These excuses resulted in demand exceeding 2013 levels under the voluntary call for conservation, and continued depletion of our reserves despite the readily apparent threat to the environment and economy.

Now those same agencies are requesting the Board codify the exemptions that undermined the voluntary conservation effort. And these requests come after experiencing successful conservation efforts in a short time frame with no apparent adverse economic impact.

Local Water Development Does Not Require Exemptions

We support development of local supplies. But we strongly disagree with the clearly flawed argument that the conservation regulations create disincentives for local water development projects.

Development of wastewater recycling, stormwater retention, and other local supply initiatives towards reducing demand on imported water are all long-term “integrated water management” alternatives we fully support. But the mandatory conservation regulations do not undermine investment in these projects. These alternatives provide reliable new local freshwater supplies that are already cheaper than imported water. And the multiple benefits of pollution abatement, flood control, habitat restoration and embedded-energy reduction, while external to the cost of water, provide real economic benefits to our communities. Given these supply alternatives are currently cheaper than imported water, and water agencies still have imported water in their portfolio despite meeting the mandatory conservation order – there are still financial incentives for developing these projects despite the conservation order.

While seawater desalination may be the exception, even this new water development alternative is not undermined by the conservation regulations. Seawater desalination is not economically competitive with or without the conservation regulations. Agencies developing seawater desalination argue the excessive cost compared to other alternatives is simply paying a “reliability premium.” Yet now, ironically, they are requesting exemptions to conservation regulations that will result in more reliability in the statewide system – which would directly translate to their own local reliability. **These agencies should not be encouraged to undermine statewide reliability benefits of conservation through continued waste, only to create the illusion that a “reliability premium” is economically sound.**

Importantly, those same water purveyors requesting exemptions from the conservation regulations, whether it is seawater desalination or recycled wastewater, are still reliant on imported water despite their investments. The benefits of everyone conserving translate into a more reliable statewide and interstate water distribution system. That increased reliability benefits everyone in the system – from those living near the source of imported water to those receiving the water – including agencies that have invested in local water development.

We strongly encourage the State Board to reject the argument that the temporary conservation regulations create disincentives for local water development and reject any exemption based on that flawed argument. Until environmental flows are restored and our groundwater and surface reservoirs are replenished, every Californian must continue to conserve so that all Californians receive the same benefits.

Exemptions for “Regional Supply Development” Contradict the Reasons for Not Allowing “Regional Conservation Targets”

The staff report and recommendations accurately describe why water purveyors’ requests for a “Regional Compliance Approach” should not be allowed. We agree.

However, allowing a reduced conservation target for retail agencies that are members of a regional wholesale agency that has developed new supplies raises similar concerns.

For example, a wholesale agency that has recently developed seawater desalination and/or indirect potable reuse projects has developed that source based on cumulative demand. That is, member agencies with the highest per capita water use are disproportionately accountable for the purported “need” for the project. And because all of the member agencies pay the same melded price for the water, there is no incentive for the member agency disproportionately creating the demand to reduce their per capita water use as

others have. And finally, member agencies contribute to the financing of water supply development regardless of whether or not they created the demand.

Similar to staff's analysis and rejection of the "Regional Compliance Approach", reducing the conservation target for every member agency within a regional wholesale agency's service area because of regional supply development can, as described in the staff report:

- reward retail agencies within a regional wholesale agency who are "poorer performing communities" -- while not encouraging the "conservation behaviors" of "high performing communities" who are already meeting their demand reduction targets;
- and,
- "undermine the direct accountability of water managers" in the "poorer performing communities."

The State Board should reject the request for exemptions to the conservation targets for retail agencies based on development of new supplies by a regional wholesale agency. For reasons similar to those rejecting the "Regional Compliance Approach" - it would reduce local accountability and send the wrong policy message to "poor performing communities" who have failed to meet reasonable conservation targets.

Climate Differences and New Development Do Not Require Exemptions

We understand that some communities are located in hotter and drier climates, and some communities are experiencing population growth that is stretching the limits of water availability. However, these areas offer the greatest opportunity and need for short-term and long-term conservation efforts.

The drought of the late 1990s encouraged indoor conservation that has resulted in maintaining or reducing cumulative demand despite two decades of economic and population growth. Today, new growth can help continue that trend by not only employing modern efficiency in new development, but by reducing current demands on water with investments in retrofitting existing development. ***Nowhere is this opportunity more available and more needed than in communities experiencing rapid growth.***

And the new frontier for water reliability is advancing outdoor conservation. Urban landscape reform not only easily achieves reasonable water conservation goals, but done properly can help address the intractable problems of non-point source pollution, urban flooding, reduced natural groundwater replenishment and habitat loss. This multi-benefit "watershed approach" to outdoor conservation is endorsed by the California Urban Water Conservation Council and is a critical step toward Californians adopting "integrated water management" policies embedded in numerous California bonds and legislation. ***Nowhere is this opportunity more available and more needed than in communities with hot and dry climates.***

The State Board must reject the request for exemptions to the conservation targets based on an area's climate and/or growth projections.

CONCLUSION

All Californians, from the headwaters of the Sacramento Delta to the Mexican border, and from the Colorado River basin to the coast, benefit from a more reliable water conveyance

and storage system. And because all Californians benefit, all Californians must fully participate in the conservation effort.

Clearly our statewide system has been stretched beyond limit and the environment and economy are at risk.

While conservation alone may not ensure a balanced and sustainable fresh water supply, it is clearly mandated now as the drought wanes and we have an opportunity to recharge our groundwater and surface storage. And we hope these mandatory short-term conservation regulations will illustrate the economic and environmental benefits of long-term conservation.

Allowing exemptions to the rule sends the wrong message to Californians. We can no longer deal with the age-old cycle of dry weather followed by intense precipitation as if it is an unpredictable disaster. California's "boom and bust" climate is as predictable as the sun coming up, and adapting water management for the inevitable is long overdue.

As it is often said, the current drought is a window into the "new norm" from inevitable climate change. But climate change will result in not only more intense dry periods, but also more intense rainfall replacing the snowfall we currently rely on for storage. We must adapt to that new norm by dramatically reducing demand and storing the rainfall in our depleted groundwater basins whenever it is available. Our past investments in water conveyance and storage are still valuable assets – but management of those assets must adapt now if we are going to achieve reliability. And local water development is clearly a critical part of the solution. But it does not replace the need for statewide conservation.

Californians have suffered from far too much blame assessment and far too little local responsibility. The days of "north vs. south", "urban vs. agriculture", "fishermen vs. farmer" has allowed, if not encouraged, unsustainable waste in every sector of our economy. The request for exemptions from the conservation regulations is just one more example of how perceived self-interests and divisiveness will undermine the best economic solutions for all.

The Governor and the State Water Resources Control Board made the right decision to impose mandatory regulations because the request for voluntary conservation resulted in excuses by local water purveyors that undermined the goals. We encourage you to reject those same requests for exemptions from the extended mandatory conservation effort.

Sincerely,

Southern California Watershed Alliance
Conner Everts – President

Residents for Responsible Desalination
Merle Moshiri – President

Coastal Environmental Rights Foundation
Marco Gonzalez – Executive Director