



Yorba Linda Water District

*Independent, Reliable and Trusted
Service for More Than 100 Years*

(4/20/16) Public Workshop
Urban Water Conservation
Deadline: 4/14/16 by 12 noon



April 13, 2016

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th floor
Sacramento, CA 95814

RE: Comment Letter – Urban Water Conservation Workshop

Dear Ms. Townsend:

Yorba Linda Water District (YLWD) appreciates the opportunity to submit input on the potential modification of the current Emergency Regulation for Statewide Urban Water Conservation. Since the initial regulations were adopted, YLWD has followed every component of the Governor's Executive Order. To date, YLWD has exceeded the original 36% conservation mandate that was issued by the State Water Resources Control Board (State Board). That achievement however, has come at great consequence to our District.

In Yorba Linda, trees have died. Valuable landscapes have been sacrificed as customers must instead use water to irrigate defensible space, due to our urban-wildland interface zones. Water rationing has changed the look and feel of our community.

Furthermore, the financial impacts of the 36% conservation mandate put our agency on the brink of defaulting on our bonds. The immediate, mandatory 36% reduction in water sales forced us to accelerate a rate change without time for our customers to adjust their personal budgets. Although the new rates were approved through the Proposition 218 process, they have since been challenged via referendum. As I pen this letter, YLWD's legal counsel is preparing for a June 13, 2016 court hearing that could ultimately decide the fate of our District. This case is precedent setting. A negative ruling will likely have dramatic impacts to every water provider throughout the State.

In addition to this lawsuit, a recall election of our Board of Directors has been initiated with the intended purpose of rolling back water rates. Returning to pre-drought rates as a result of the lawsuit or recall election, places YLWD in technical default of our debt covenant ratio, and in serious financial peril.

We know that it was not the intention of the State Board to have agencies with long histories of providing trusted and reliable service collapse as a result of the emergency drought regulations. Moving forward, we ask the State Board to consider mechanisms to offer emergency financial protection when emergency conservation regulations require water rationing.



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As the state's focus begins to transition from the emergency regulations to a long-term strategy for water conservation, YLWD requests the State Board consider local investments in drought-resiliency and water-use efficiency, and leave discretion with regional water agencies to choose appropriate management strategies, and preserve local control.

With respect to future "Emergency" declarations: YLWD also urges the State Water Board to consider adopting custom regulations based on a region's readiness to serve during periods of drought. This needs to be considered before declaring a continued State-wide Emergency or we run the risk of losing credibility with the public. While the emergency regulations focused on achieving the state's water reduction standards solely through conservation, they do not allow regional or local water agencies to realize the benefits of their investments in water supply reliability – investments in self-reliance that are consistent with Governor Brown's Water Action Plan.

In Orange County, we have heavily invested in reliability and the bills for this investment are due and payable. While the public has demonstrated they will step up and respond to an emergency declaration, we must be careful not to lose their confidence and trust. We encourage the State Board to explore a more balanced, more flexible approach that recognizes the significant investments ratepayers have made toward the development of a drought-resilient water supply. It will help save water now and better prepare California for future droughts.

Treating everyone the same is not always equitable. Treating agencies fairly based on local water supply conditions is indeed more work, but will also gain public trust and result in lasting conservation practices.

Sincerely,

A handwritten signature in blue ink that reads "Marc Marcantonio".

Marc Marcantonio
General Manager

CC: YLWD Ratepayers
Orange County Water District, PO Box 8300, Fountain Valley CA 92728
Municipal Water District of Orange County, PO Box 20895, Fountain Valley CA 92728