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Re: Comments to Mandatory Conservation Proposed Regulatory Framework & Tiers

Dear Ms. Bean,

I am writing to you with my concerns and comments regarding the proposed regulatory framework and proposed tiers.

North Gualala Water Company (NGWC) is a small, Class C, investor-owned water utility in southern Mendocino County with about 1000 service connections. The district is under direct oversight by the California Public Utilities Commission (CPUC). We have had a CPUC-approved Schedule 14.1 "Mandatory Conservation" in effect since September 15, 2014 to satisfy part of a SWRCB-mandated water supply contingency plan. It is based on river bypass rates set by the state. It does not require rationing but rather conservation, i.e., restricted outdoor water use with limitations on irrigation to more than two days per week. While it was not imposed due to drought conditions, its goals are the same. Our water district is rural and generally without irrigated landscaping. It appears that our residential water use is limited to indoor use (cooking, bathing, cleaning). There have been no violations requiring fines in the 7 months since it went into effect.

I have concerns about the Mandatory Conservation Proposed Regulatory Framework and proposed tiers. It is unrealistic for our residential customers to reduce their use by an additional 25%. NGWC residential water use has fallen significantly since 2008, when we first began promoting conservation practices (including rate structure changes, rate increases, customer education, voluntary conservation, etc.). From 2008-2013 our district's residential use decreased by 27%. Our residential use is 39 gallons per capita per day using a multiplier of 2.5 for residential connections. Imposing a 25% reduction would drop that use to 29 gallons per day. When our Schedule 14.1 was approved, the state expressed concern at our low residential per capital use—that it was far below the minimum 50 gallons per day that it considers necessary for health and safety. While I feel that the 50 gallons per day

threshold is probably based on older water fixtures, it is worth considering that our customers are already well below the 50 gallons per day level.

Additionally, I am concerned about using 2013 as the basis against which all future water conservation efforts are measured. As mentioned before, NGWC implemented conservation-promoting measures starting in 2008 so our 2013 levels are quite low by comparison. Using 2013 for our district in particular (and probably others) would be inaccurate and would cause undue hardship on residential customers who need a minimum amount of water for public health.

The proposed tiers would give large urban suppliers a break if they are already at a low per capita use, but there is no such accommodation for small suppliers like NGWC. It does not seem fair to assess an across-the-board 25% reduction on small suppliers without accounting for existing low levels of use, as the SWRCB is proposing for large urban suppliers. I would like to see a fairer proposal based on a realistic notion that every water district is unique in water source, climate, and historical use. The best option would be to give utilities the option to reduce usage based on either: 1) a percentage, or 2) a set daily per capita use. That way utility managers can select the best approach to reduce water use in their district while still maintaining adequate potable water availability to their customers.

I am also curious about how the SWRCB collects daily per capita use from its urban suppliers. Particularly, what multiplier is used when calculating per capita use? Census data would likely be inaccurate because municipal boundaries do not always/rarely correspond to water district boundaries, especially small rural suppliers. The SWRCB has had us use a multiplier of 3.5 times residential+commercial meters to calculate population whereas there is a different multiplier used by other state agencies with residential-only meters. This multiplier is important for calculating actual versus proposed reduction and I think there should be clarification as to what multiplier is used and the rationale behind it.

I realize that the proposed framework and tiers are intended for urban suppliers. However, it states that the CPUC is requested to take similar action for investor-owned utilities. And in fact, the CPUC has adopted the SWRCB's Resolution No. 2015-0015, effectively applying the SWRCB framework and tiers to small suppliers like NGWC. It is CPUC Resolution W-5034 (weblink: <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=151136669>).

Thank you for taking the time to read my comments.



David Bower

President
North Gualala Water Company