



# San Diego County Water Authority

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April 13, 2015

Felicia Marcus, Chair  
State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-0100

## MEMBER AGENCIES

- Carlsbad Municipal Water District
- City of Del Mar
- City of Escondido
- City of National City
- City of Oceanside
- City of Poway
- City of San Diego
- Fallbrook Public Utility District
- Helix Water District
- Lakeside Water District
- Olivenhain Municipal Water District
- Otay Water District
- Padre Dam Municipal Water District
- Camp Pendleton Marine Corps Base
- Rainbow Municipal Water District
- Ramona Municipal Water District
- Rincon del Diablo Municipal Water District
- San Dieguito Water District
- Santa Fe Irrigation District
- South Bay Irrigation District
- Vallecitos Water District
- Valley Center Municipal Water District
- Vista Irrigation District
- Yuima Municipal Water District

## OTHER REPRESENTATIVE

- County of San Diego

Sent via email to: [jessica.bean@waterboards.ca.gov](mailto:jessica.bean@waterboards.ca.gov)

Dear Chair Marcus,

With California experiencing a fourth consecutive year of drought and the possibility that it could continue into 2016 and beyond, the San Diego County Water Authority supports the Governor’s call for increased water conservation and has called upon residents across the region to significantly increase their conservation efforts. The Water Authority does have serious concerns regarding the State Water Board’s proposed regulatory framework to achieve the additional conservation savings. The proposed framework would deter development of future local water supplies, unnecessarily threaten state and regional economies and doesn’t take into account the climatic variable found in California. This comment letter provides recommendations on how the State Water Board can address these issues and achieve the increased savings called for in the Governor’s April 1, 2015 Executive Order.

The recommendations we provide are based on the Water Authority’s leadership and experience in preparing and planning for water shortages due to drought. Through our 2006 Water Shortage and Drought Response Plan, we have established a comprehensive and orderly approach to managing droughts that reduces the impacts of supply shortages to our region. During shortages, the plan also includes a fair and equitable means to allocate available supplies to our member agencies. The Water Authority worked closely with its member agencies in 2008 to also develop a model drought response ordinance to provide consistent drought response actions throughout the region. The water-use restrictions in the model focus on reducing discretionary water use to avoid economic impacts and protect health and safety. All of our 24 member agencies have updated their ordinances based on the model and enacted them in a unified manner consistent with the State Water Board’s existing emergency regulations. The Water Authority’s model ordinance is included in the Governor’s Office of Planning and Research March 2014 drought toolkit as a model to be used by agencies throughout the state.

The Water Authority and its member agencies have also long supported water conservation as a foundational action to improve supply reliability for the San Diego region. Since 1991, the Water Authority’s water use efficiency programs and initiatives cumulatively have conserved more than 930,000 acre-feet of water. These savings have been achieved through measures ranging from incentives on water-efficient devices, to legislative efforts, to outreach campaigns and programs. The San Diego residents and businesses have responded to these efforts, with potable per capita water use in San Diego County having declined 31 percent since 1990 and 24 percent from 2007. The region has already met the state’s 2009 mandate to reduce per capita water use 20 percent by 2020.

*A public agency providing a safe and reliable water supply to the San Diego region*

Below are our key concerns regarding the proposed regulatory framework with Attachment A containing our recommendations for the draft emergency regulations.

Key Concerns:

1. The proposed framework is contrary to State policy to reduce dependence on the Bay Delta by discouraging investment in local water supplies.

The Governor's California Water Action Plan encourages agencies to increase self-reliance, manage and prepare for dry periods and reduce dependence on the Bay-Delta. Following the drought of the 1990s and continuing today, the San Diego Region has been investing to diversify our water supply and reduce dependence on imported supplies from the Metropolitan Water District. This has been done at a substantial cost through a historic water conservation and transfer agreement for independent Colorado River supplies and construction of the Carlsbad Desalination Project. The diversification strategy has received strong support from the public and our business community on the basis that it would reduce impacts to customers during water shortages and drought periods. The \$1 billion Carlsbad Desalination Project is the largest in the western hemisphere, will produce up to 56,000 acre-feet of water annually when it begins production in fall 2015 and is funded by local ratepayers. Water suppliers in the region will continue to ask ratepayers to support drought proof supplies, such as potable reuse or desalination, and need to explain the benefits of local supply reliability. State action to eliminate those benefits creates an impediment to development of drought proof supplies when customers must reduce water even though the supplies they invested in may be available.

2. The proposed framework fails to consider the economic impacts of targeting the commercial, institutional and industrial (CII) sector.

California's \$2 trillion economy cannot survive without a reliable water supply for its business and industry. A water supply cut of 25 percent across the board to Californian's commercial and industrial customers would have a devastating impact on the State's economy. Many, if not a majority, of California businesses have already increased efficiency in their processes and save water. Further cuts to these customers will gravely impact their ability to provide services and products, and may encourage them to leave the State. The Governor's Executive Order requires CII properties, such as campuses, golf courses and cemeteries, to reduce water use by 25%. While the Governor appears to be focused on discretionary outdoor use in the CII sector, the State Board is focused on reducing all CII use, which would include process water and other essential water use necessary to support business in this State. Manufacturing, the largest contributor to San Diego County's \$206 billion economy, will be seriously harmed by these proposed reductions.

3. The proposed framework will have a devastating impact on agricultural production in areas served by urban water suppliers, which have already suffered significant reductions.

The Governor has publicly stated that the current mandatory reduction program is not aimed at California agriculture. In 2013, San Diego County had the most small farms, and was the 19th largest agricultural economy of any county in the United States, with a value totaling \$1.9 billion. San Diego County produces the highest dollar value per acre crop of any county in California. Some of these farms may be served by residential meters, driving up the residential per capita use numbers. Under the proposed framework, these micro-farms would be restricted just like

residential ornamental landscape. Since 2007, agricultural deliveries have fallen 50% in San Diego County because farmers have been hit hard by the economic recession and drought. Including San Diego County agricultural in the mandated 25% reduction in potable urban water use is inconsistent with the Governor's Executive Order and ignores the fact that agriculture is a major economic driver in our region. If left unchanged, local agriculture would be devastated under the proposed framework.

4. The proposed framework incorrectly assumes that higher per capita water use is always due to inefficient and inappropriate water use and fails to consider climate and weather.

Water use is significantly impacted by weather, economy and local land uses. Under the tiered water reduction approach, coastal communities with naturally lower water use are being rewarded, while inland rural communities are being penalized. In addition to inappropriately penalizing inland communities, the proposed framework fails to consider average differences in temperature and rainfall, local land uses, such as agriculture, residential ownership of livestock and other urban and rural land uses. The proposed regulation requires one third of the State's water suppliers to require their customers to reduce water use by 35%. This is inappropriately based on a single month of use in September 2014. Although weather is the largest short-term driver of water use during a single month, the proposed criteria fails to consider this when determining compliance.

As it is currently written, the approach taken in the proposed mandatory conservation framework creates policy that does not promote safe, sustainable and integrated water management. During these times of critical water supply shortages, the State Water Board's actions will have a significant impact on future water supply reliability. Similar to our model drought response ordinance, we recommend that the framework focus on reducing discretionary water use in order to preserve water to protect public health and safety, and to support the \$2 trillion California economy.

With the rapid time frame for developing criteria, we appreciate that State Board releasing a conceptual regulatory framework to the public for comment before drafting actual regulations. Attachment A includes the Water Authority's specific recommendations for changes to the Mandatory Conservation Framework. We hope these recommendations will help guide the State Board's development of emergency regulations that can preserve the State's water supply, encourage local water supply development, and be reasonably implementable by water suppliers.

Sincerely,



Maureen A. Stapleton  
General Manager

Attachment A

cc: State Water Resources Control Board Members



**Attachment A**  
**San Diego County Water Authority's Recommendations for Changes to the Mandatory Conservation Framework**

**A. Include Development of Drought-Proof Supplies as a Means for Agencies to Demonstrate Compliance.**

- One of the ultimate goals in managing California's drought is to decrease reliance on Bay-Delta supplies severely impacted by four consecutive dry years. Reducing an agency's demand on these supplies can be accomplished in two ways: (1) conservation savings; and (2) development of local drought proof supplies. The Governor's Executive Order highlights the importance of developing local water supply projects by requiring state agencies to prioritize permitting of water infrastructure projects and programs that increase local supplies.
- Increasing regional self-reliance through the development of local supplies is a key action included in the Governor's California Water Action Plan to ensure water security at the local level.
- The proposed regulatory framework must take into account investments being made in local drought-proof supplies; otherwise agencies will have no incentive to continue developing these supplies.

*Recommendation:* The emergency regulations should exclude from the June 2015 through February 2016 monthly water production reporting any local or regional drought-proof supplies, such as desalination or potable reuse projects that begin production after 2013. Communities should be able to reach their identified tier cutback target through any combination of demand reduction or demand displacement through creation of new drought-proof supplies.

**B. Focus reductions in the Commercial, Industrial and Institutional (CII) sectors on discretionary landscape uses, not CII uses needed to support the economy. Encourage State leadership in institutional sector.**

- The Governor's Executive Order asked for a 25% reduction in CII uses, such as campuses, golf courses, and cemeteries. The Executive Order is focused on discretionary uses and not critical uses, such as process water, required to support economic output.

- The proposed regulatory framework targets CII water uses that are critical to maintaining the livelihood of businesses and our economy. If implemented as regulations, the framework could hamper economic recovery in San Diego and statewide.
- Most institutions, such as state universities, community colleges, schools, and prisons are State funded, putting the State in a better position than local agencies to encourage or mandate conservation activities.

Recommendations:

(1) The CII water use reductions goals should be focused on discretionary outdoor irrigation use as measured by dedicated landscape meters and reported to the State. Other reporting of CII water use should not be mandated.

(2) The State should take a leadership role on obtaining compliance for reductions for institutional customers subject to State funding.

**C. Exempt All Agricultural Deliveries from Mandatory 25% Reduction in Urban Water Use.**

- The Governor's Executive Order clearly excludes agricultural water usage from the directive requiring a 25% statewide reduction in potable urban water use.
- San Diego County has a \$1.9 billion agriculture economy and is the 19<sup>th</sup> largest agricultural county in the United States.
- "Urban water suppliers" within San Diego's North County provide the water necessary to sustain this agricultural production.
- There are urban water suppliers and small water suppliers within the county whose agricultural demands account for the majority of their water deliveries.
- In San Diego County, supply shortages from Metropolitan Water District will occur in 2015 and agricultural customers will experience supply cutbacks equal to or greater than municipal and industrial customers.
- Under the proposed framework, San Diego County farmers supplied by urban water agencies would experience economic hardship greater than other farms in California.

Recommendations:

(1) The emergency regulations must clearly exempt California agriculture across the state from the mandated 25% statewide reduction in urban water use.

(2) Urban water suppliers that exclude their agricultural deliveries must have adopted 2010 urban water management plans that identify their agricultural demands and contain a water shortage contingency plan.

**D. Agencies should be provided adequate time to enforce water use reduction and enforcement penalties should consider agencies' compliance efforts; penalties should be used to support local drought response.**

- Water suppliers understand the seriousness of the drought and the important and urgent need to reduce demands.
- Water suppliers need to have time to educate customers on the water reduction requirements and provide customers with due process.
- A phased-in approach to reaching the goals will be most effective to create both short-term and permanent long-term water use reductions
- Compliance determinations should be based on results of actions taken by water suppliers and their customers, not short-term fluctuations based on weather.
- An industry-accepted scientific approach to model monthly weather normalization has already been developed by Department of Water Resources and could be used by the State Board.
- Water supplier penalties should be reduced if they are aggressively pursuing actions to comply with the goals.

**Recommendations:**

The emergency regulations should contain the following approach regarding assessing compliance and enforcement:

- (1) Reaching the conservation standard should be progressive in the following 90 day increments:

Time frame	Average water use reduction <sup>(a)</sup>
First 90 days	15% (if applicable)
Second 90 days	25% (if applicable)
Third 90 days	35% (if applicable)

(a) Average of monthly weather normalized data during 90 day period, as compared to average of monthly 2013 water use data during same time period.

- (2) The water suppliers should report monthly on water use, and the actions and approach they are taking to reduce water use.
- (3) If an agency is not meeting their targets as described in the above table, water suppliers should be ordered to prepare a "corrective action plan" identifying measures to be implemented to come into compliance.
- (4) Failure to achieve required water use reductions should be finally determined only at the end of the 270-day duration of the emergency regulation and water production data should be weather-normalized to accurately reflect water reductions obtained through a water supplier's actions to require conservation and their customer response.
- (5) Penalties should be reduced on a sliding scale based on amount conserved. This will encourage all agencies to take immediate action toward achieving their goals.

- (6) Any penalties collected for violations should be allowed to remain with the local or regional agency where the violation occurred for use in local conservation programs or development of local drought proof water supplies.

**E. The State Board should not use a single month to determine an agency's conservation standard.**

- The Governor's Executive Order established a baseline year of 2013.
- Utilizing September 2014 residential per capita water use to establish an agency's conservation standard is not an accurate measure of an agency's overall water usage and unfairly targets areas of the state with warmer climates.
- Agencies will be measured over the course of nine months, so therefore an average per capita water use would be more appropriate for determining their conservation target.

*Recommendation:* Instead of a single month, the emergency regulations should use a 12-month average of water use during the baseline year of 2013, to establish the rankings for the required percent reduction of per capita use for each water agency.