

Felicia Marcus, Chair
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

April 13, 2015

Re: MANDATORY CONSERVATION PROPOSED REGULATORY FRAMEWORK

Dear Ms. Marcus,

We are writing to provide comment on the proposed Mandatory Conservation Regulatory Framework that was released last week in response to the Governor's April 1 Executive Order. WaterSmart Software, a software-as-a-service provider that offers water utilities monitoring, engagement and compliance services, serves over two dozen utilities in California. We are eager help our partner utilities effectively and nimbly respond to the drought and achieve measurable reductions in use. Below we provide a short background on WaterSmart and several specific comments on the proposed framework for consideration.

Background on WaterSmart Software

WaterSmart currently works with thirty eight water utilities across four states, including over thirty utilities in California, to engage residential customers on their water use, driving conservation and customer engagement. On behalf of partner utilities, WaterSmart sends customized Home Water Reports to residential water users, hosts an interactive web and mobile application accessible Customer Portal where residents can learn more about their water use and ways to save. Utility staff access a Dashboard to track program outcomes and gain insights on customers and their water use, including their performance on meeting their state-mandated reduction goals. WaterSmart has also created a unique "drought compliance" tool that enables each utility to implement each requirement that the Board has requested including, for example, customer leak notification and monthly GPCD calculations.

WaterSmart solutions are proven to improve water-use efficiency by up to 5% within the first 6-12 months. A third party evaluation of WaterSmart's work with East Bay Municipal Utility District is available on the website of the California Water Foundation (which funded the third party audit) [here](#). The evaluation found that the cost per acre-foot conserved ranged from \$250-590, which compares very favorably with many other municipal conservation programs and alternative

supply projects. The evaluation also found increased participation and engagement in other utility programs.

Comments on Draft Regulations

WaterSmart applauds Governor Brown and the Board in announcing these decisive and ambitious regulations. In particular, we believe the Board has made the regulations equitable and achievable by basing reduction requirements on average utility-wide Gallons per Capita per Day (GPCD). WaterSmart has seen repeatedly that larger reductions are possible from higher water users than lower water users. Utilities that have already taken actions to conserve should continue to do their part, but those with higher use must play a larger role in meeting the overall 25% reduction requirement.

WaterSmart suggests three things to make the Draft Regulations more effective.

First, WaterSmart has heard concern from its many partner agencies regarding how and when the reduction requirements will be enforced. Additional clarity, particularly on the use of Administrative Civil Liabilities for non-compliance, would help utility staff responsible for responding to the mandatory requirements to plan and communicate accurately.

Second, WaterSmart wants to encourage the State Board to continue to consider the impact of this drought on utilities that serve largely disadvantaged communities. WaterSmart has seen first-hand the resources needed to mobilize a community to change their water-use habits, and knows that many California utilities will struggle to find the resources, financial and otherwise, to meet the mandatory requirements. Financial and technical assistance in implementing proven and cost-effective conservation programs will ensure these communities are able to do their part in responding to our state's historic drought. It would not be unreasonable to expect the state to direct that underserved communities be served first, or be given a higher priority, for all limited funds such as rebates or direct install programs, such as directed in paragraph 3 on turf removal programs.

Third, the California Urban Water Conservation Council's [Best Management Practice 1.4](#), recently approved by the Council's Board, contains many excellent non-price related measures in the communication and outreach section of the [matrix](#). Some have already been adopted by the Board, such as the requirement to communicate water in gallons rather than in alternative units, and advanced leak notification. Additional steps are needed to truly implement behavior change using proven social-norm based tools. The core of the "injunctive norm" technique

is providing benchmarks using graphical comparisons of water consumption to homes with similar attributes. The similar residential attributes are (a) occupancy (number of residents) to determine estimated indoor use, and (b) outdoor irrigated area. Additional criteria could be the age of the home (to determine flow rates) and climate zone (to determine plant needs). WaterSmart has proven that the social-norms based tools really work to drive down demand by approximately 5% per year, over and above a utility's existing conservation messaging. The Board should Board strongly recommend or require the use of social-norm based messaging to drive immediate, affordable and proven water conservation.

We are impressed with the Board's actions so far to respond to this historic drought and hope that we can all work together to find and develop innovative solutions to achieve a sustainable water future for California.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Yolles". The signature is fluid and cursive, with the first name "Peter" and last name "Yolles" clearly distinguishable.

Peter Yolles
Founder
WaterSmart Software