



GREAT OAKS WATER COMPANY

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April 13, 2015

Via email to Jessica.Bean@waterboards.ca.gov

Jessica Bean
State Water Resources Control Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812-2815

RE: Comments to Mandatory Conservation Proposed Regulatory Framework

Dear Ms. Bean:

Great Oaks Water Company (Great Oaks) is an investor-owned Class A water utility located in San José, California. Please consider the following comments and suggestions with respect to the Mandatory Conservation Proposed Regulatory Framework (Framework) provided to us by email on April 7, 2015. The comments are organized and labeled to correspond to the Framework.

Urban Water Suppliers **II. New Reporting Requirements**

1. “Large” landscape customers – The term “large” is used in two places in this section when referring to “large landscape commercial customer use” and “large landscape institutional customer use.” The term “large,” being a term of relative size, is subject to more than one interpretation. Great Oaks recommends that instead of using the term “large,” the regulations refer to specific types of commercial or institutional customers, in essentially the same way as in the Framework, i.e., golf courses, amusement parks, cemeteries, college or other campuses. Making this change will eliminate reporting discretion issues that may arise if an urban water supplier believes a relatively small cemetery, for example, need not be reported in this category. The change will result in reporting of all commercial and industrial customers with high water demand landscapes, regardless of relative size.

2. The New Reporting Requirements for CII sector customers all refer to “monthly” use data. Great Oaks, and probably most or all other urban water suppliers, do not bill on a calendar

month basis. For example, if Great Oaks were to report in May its CII sector usage, the period of usage reported would be from the March 26, 2015 meter reading to the April 23, 2015 meter reading, and not simply CII sector usage for the month of April 2015.

When the “monthly” CII usage data is compared to CII usage data from 2013 for the “same” billing period, further discrepancies will creep into the data. The number of days in a billing period is not always the same from year to year, nor does it need to be. For purposes of assessing compliance with Conservation Standards, if the 2015 billing period has more days in it than the “same” billing period in 2013, compliance assessments will necessarily include errors. This is especially important when the various monetary penalties for non-compliance included in the proposed regulatory framework are considered. If even slight non-compliance could subject an urban water supplier to significant monetary penalties, standardizing methodologies to assess compliance with Conservation Standards is essential.

This particular issue with the New Reporting Requirements presents no easy or obvious solutions, as there may be as many different billing cycles among urban water suppliers as there are days of the month. Since the goal is conservation, and the only way to measure conservation is through the data, Great Oaks sees no downside to reporting usage on an other-than-calendar month basis, so long as appropriate standards are established and followed for purposes of assessing compliance and enforcement.

IV. Enforcement

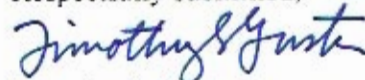
3. The Enforcement section of the Framework includes a listing of several “tools” available to enforce the proposed regulations. However, the language of the Framework is loose and suggests that warning letters may or may not be accompanied by monetary penalties. Other language of the Framework suggests that urban water suppliers may be subject to monetary penalties if their customers (the actual water users) do not conserve water necessary to meet the Conservation Standard, regardless of the actions taken by the urban water suppliers to meet the Standard and without consideration of the legal obligation of urban water suppliers to continue to provide water service.

To the extent necessary to avoid confusion as to the scope of the Water Board’s enforcement authority for the proposed regulations, Great Oaks recommends and requests that the source of such authority, as well as the procedures for exercising such authority, be clearly stated in the Framework and eventual regulations.

Conclusion

Great Oaks respectfully requests that its comments be considered when revising the Framework and crafting the regulations for executing the Governor’s April 1, 2015 Executive Order.

Respectfully submitted,



Timothy S. Guster

Vice President and General Counsel
Legal and Regulatory Affairs