

April 22, 2015

Ms. Jessica Bean
State Water Resources Control Board
Post Office Box 100
Sacramento, CA 95812-0100

Sent via E-mail to: Jessica.Bean@waterboards.ca.gov

Subject: Concerns and Challenges with Proposed Regulatory Framework for Mandatory Conservation (as released April 18, 2015)

Dear Ms. Bean:

On behalf of the Cucamonga Valley Water District, please accept these comments on the Proposed Regulatory Framework for Mandatory Conservation (as released April 18, 2015). A signed letter with this same language will follow via email tomorrow.

The purpose of this email is to provide feedback regarding the Draft Regulatory Framework for Mandatory Conservation established by the State Water Resources Control Board (hereon referred to as "State Board") on April 18, 2015. We understand the water challenges that face our state and appreciate the various constraints under which the State Board is operating in order to comply with the Governor's Executive Order B-29-15. With that said, we would like to reiterate the comments that were previously submitted in our letter to you dated April 13, 2015 and provide new comments. The current draft framework creates serious equity and feasibility issues that will result in unintended and unnecessary legal, financial, environmental and operational consequences for us and our customers. We are writing to provide our perspective and request clarifications, and offer reasonable solutions to these issues that would satisfy the intent of the Governor's Order and maintain equitable implementation among water purveyors.

The Cucamonga Valley Water District (CVWD) has been reshaping the water use patterns and practices of our customers through a variety of outreach efforts, education programs, rebates, water efficient landscape workshops, and other programs. As a result of these efforts between the period of 2007 and 2013 CVWD customers have reduced their water use by nearly 18%, nearly achieving the State Board's "20 by 20" conservation initiative well ahead of schedule. However, to apply a 32% reduction of consumption based on 2013 numbers is inequitably and drastically compounding our efforts. CVWD understands the severity of the drought and we will continue to work with customers to implement the new provisions included in the Governor's new order to achieve the conservation goals. However, we would like the State Board to recognize our efforts to-date in the "20 by 20" initiative and consider extending the proposed conservation mandates to our ongoing effort by applying the 32% percent reduction to our 2007 consumption. Additionally, since August 2014 CVWD has been operating under a Stage 2 Drought Alert and we have seen even more conservation in overall consumption, R-GPCD, and total production by the order of 8.2%, 7.2%, and 10%, respectively, from August 2014 to January 2015 compared to the same period of the previous year (August 2013 to January 2014). This illustrates that our residents have heard the call for conservation based on our Stage 2 implementation. However, the State Board's arbitrary choice of July to September 2014 for establishing the mandatory conservation tier structure is not recognizing our efforts and the delayed reaction by our customers since then. This same phenomenon likely affects other water purveyors. Therefore, we ask that the State Board spend more time to develop a more thoughtful approach, work with the water purveyors on a case-by-case or regional basis, or allow each purveyor to develop their own plan based on their own factors and needs and provide that to the State Board for approval.

The conservation achieved by CVWD has occurred as a result of careful planning, investment into projects that diversify our water portfolio, development of local production supplies, and landscape transformation programs. In addition to the above mentioned projects, CVWD has been proactive and

ahead of most of the state in other areas of conservation with the utilization of technology such as the installation of “smart” water meters which includes a sophisticated leak detection component.

If the State Board truly intends 32% reduction of 2013 numbers, then the State Board must understand that CVWD and their fellow water purveyors need time to implement these drastic conservation measures. CVWD is currently in the process of developing and passing ordinances, rules, and new rate structures that will take us to the next stage(s) of conservation and that will encourage and/or enforce the State Board’s proposed level of conservation. It takes time to ensure that our rules are equitable and fair to our customers. In addition, a drastic effort like this is a great financial burden to CVWD and our customers. With very few incentive programs in place and potential losses in revenue, agencies like ours need more time to financially plan for these types of programs and we also look to the State Board to provide grants and/or relief directly to us and our water customers alike.

We find the Urban Water Management Reporting Tool and methodology to be confusing, inconsistent and inequitable. The following are our observations of the reports:

1. The calculated R-GPCD based on production data unfairly penalizes our residential customers for non-revenue water (i.e. water loss, water theft, etc.), something that our customers have no control over, much less our residential customers only as calculated in the R-GPCD. There is a field in the reporting tool that requests non-revenue water, yet it does not factor into any calculation. That said, it is CVWD’s responsibility to manage non-revenue water to as little as practical, something we already take very seriously, we take pride on an annual average 6% which is better than the industry standard, and that we will strive to further reduce in light of the drought. Therefore, please provide reasoning and clarification for the request of non-revenue water and what does the State Board intend to do with this information?
2. The reporting process deadline of the 15th of each month is problematic for our agency due to the fact that we have a bi-monthly billing system. CVWD has very complete and accurate consumption data from metering of all water users; however because of the nature of bi-monthly billing the data is not available immediately. Production is more readily available but the data is highly estimated. Please consider different reporting data and methodologies that would allow water purveyors to report on a basis that works best and most accurate for them. If the current data collection method is continued we would request that our data be reconciled once all of our billing is accounted for the reporting month to ensure its accuracy.
3. There are optional fields in the reporting tool for reporting recycled water. It is not clear how recycled water works into the methodology. In other words, it is not clear if there is a reward or penalty for use of recycled water. CVWD takes pride in converting drinking water users to recycled water, thereby conserving our precious fresh water resources. We ask that the State Board clarify this confusion and reward the use of direct recycled water use, recharge, and other beneficial uses.
4. Each water purveyor has different customer types, distributions of those customer types, demographics, climate, topography, etc. A blanket tier structure for the entire state based on R-GPCD without consideration for these factors is inequitable for us, our residents, and other water purveyors. We ask that the State Board consider other factors to more fairly distribute the burden of conservation across the state and within our own District.

To address the challenges that our region will face in implementation if the regulations are developed from the current framework as proposed, we respectfully and strongly suggest that the State Board to consider the following:

1. A more thoughtful approach to the implementation of the emergency drought regulations. Given time and consultation, the State Board would avoid the multitude of unintended legal, economic, environmental and operational consequences that will cascade from the current proposed framework. We would allow reasonable time for consultation with water managers and other stakeholders, who can help foresee full implications of various implementation pathways and head off unintended consequences.

2. A no-more-than 25-percent reduction from all California water suppliers, as noted in the Governor's Executive Order. Any requirement above 25% mandated reduction creates disparate, negative impacts to disadvantaged communities through the inland valleys of California and other non-coastal communities.
3. Using the existing 5-year base period thresholds established, adopted, and submitted to the State Board by water agencies in compliance with existing state law (SBx7-7), to account for climatological variations in water needs and pre-2013 conservation activities. Use of gallons per capita per day for a single snapshot in time is bad science, not a best management practice, and results in inequitable treatment and punishment of responsible stewards implementing pre-2013 conservation measures and in punishing customers whose water needs are greater due to living in a hotter, drier climate. In addition, the 5-year base period threshold data is readily available, and would alleviate some of the administrative burden on State Board staff.

No one is more committed to water reliability, safety and affordability than the Cucamonga Valley Water District. CVWD and our region have been extremely proactive in implementing demand management programs to exceed the SBx7-7 requirements. The State Board must recognize the effort and resources that have been expended to reduce demands prior to the Governor's declaration. As such, we respectfully urge strong consideration of our suggestions as we work together to address the challenges we face as a state.

Thank you for your consideration and for the open dialogue.

Best regards,

Eduardo Espinoza

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