

John V. Rossi
General Manager

Robert Stockton
Division 1

Thomas P. Evans
Division 2

Brenda Dennstedt
Division 3

Donald D. Galleano
Division 4

S.R. "Al" Lopez
Division 5



Securing Your Water Supply

May 4, 2015

Via email to: commentletters@waterboards.ca.gov

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



RE: Input on Draft Emergency Regulations to Implement the Governor's Executive Order B-29-15

Honorable Board Members:

Western Municipal Water District appreciates the opportunity to provide input to the State Water Resources Control Board ("State Board") on the Draft Emergency Regulations to achieve a 25 percent statewide reduction in potable urban water use. We support the Governor's leadership in calling for reductions in water use statewide. However, we continue to have serious concerns with the State Board's Draft Emergency Regulations as they are currently proposed in the documents released on April 28, 2015. It is our hope that the mandated 25 percent reduction be implemented in a fair and well-constructed manner that will not only provide short-term drought relief, but also permanent achievements in water use efficiency for the state.

The draft emergency regulation released on April 28, 2015 took into account very few of the public comments received in the preceding informal comment windows and continues to promote an unsophisticated methodology to reduce urban water use. This approach continues to result in several equity and implementation concerns, which most importantly, is unlikely to achieve the Governor's desired results, despite water agencies' best good faith efforts.

The terms "simple" and "California water" are inherently contradictory. Measurement and analysis of reasonable and efficient water use is complex. The communities of California and the composition of their water supplies are as diverse as the citizens we serve. Evaluation based on simple monthly residential gallons per capita used in three of the driest months of the year does not capture the complete story with regards to urban water demand and whether an area's water use is efficient and reasonable. Per capita metrics cannot measure efficient or appropriate water use for landscape. The State's own California Irrigation Management Information System (CIMIS) measures evapotranspiration rates and, thus, plant water demand in inches, not in gallons per person. As has been discussed on several occasions with the State Board staff and members, water agencies in our area and our own retail customers have taken many proactive, if not aggressive, steps over multiple years to encourage water use efficiency and the wise use of water. These actions include the implementation of aggressive

budget-based rate systems, innovative conservation measures, and the expansion of recycled water use. Our early efforts have achieved dramatic reductions in water usage and have also resulted in significant demand hardening. We are committed to continuing to do our reasonable and fair share to seek greater conservation within our service area during this drought, yet the demand hardening makes achieving the excessive proposed reductions in water demand more costly and not achievable without tremendous economic impact to the agency, the ratepayers, and the region.

As articulated by several agencies in their prior written and verbal comments to staff and members of the State Board, local stakeholders have collectively developed a more robust method for appropriating water supplier reductions.

Our alternative model:

- was developed by conservation technical experts from a group of leading agencies in water use efficiency;
- was supported by other agencies outside the workgroup's area;
- demonstrated attainment of a 25 percent statewide reduction from 2013 potable use;
- required every agency to save at least 10 percent, with a maximum savings of 35 percent;
- allocated the reductions in a way that *equitably balanced* prior conservation and current Gallon Per Capita Per Day (GPCD) use;
- adjusted for population growth by using average 2014/15 population, production, and GPCD;
- required agencies to improve against their progress made to date;
- adjusted for different climate zones throughout the state;
- set a floor of 40 GPCD to avoid penalizing agencies that already have a very low water use;
- integrated an alternative performance efficiency option for agencies with Allocation Based Rate Structures; and
- calculated an individual target for every agency based on the combination of progress toward achieving 20x2020 goals and GPCD to ensure the overall statewide 25 percent target for additional conservation was met.

This comprehensive and technically accurate approach could reasonably and sustainably achieve the Governor's goal of the mandated 25 percent reduction in urban water use statewide.

Western respectfully requests that the SWRCB re-consider using the proposed alternative method, delivered to the State Board by a coalition of twelve entities composed of the City of Corona, Eastern Municipal Water District, Elsinore Valley Municipal Water District, Fallbrook Public Utility District, Irvine Ranch Water District, Lakeside Water District, Las Virgenes Municipal Water District, Moulton Niguel Water District, Rainbow Municipal Water District, Rancho California Water District, the Southern California Water Committee, and Western Municipal Water District.

Should the State Board decide to continue with the current approach, we respectfully request that you make modifications that account for the following inequities:

Adjust for Climate Differences: Outdoor water use should be efficient in all hydrologic regions. One agency should not be advantaged because of cooler climate, and thus, water demands. Just as an

agency should not be penalized because of its arid nature. Water-wise landscaping should be required across the state.

Adjust for Drought-Proof Water Supply Development: Cleaning up pollutants and converting brackish groundwater to drinking water requires a significant investment. These investments reduce the demand for imported water from the Bay Delta and increase resiliency in the local water system. Expanding the use of recycled water is a priority in the state of California, as documented in the California Water Plan. Requiring fixed percentage reductions in water use while not reducing such cuts for water produced by these significant investments is not fair to our customers that have funded such projects though water rate increases.

Consider More Than July through September R-GPCD: The focus on peak water use months inequitably penalizes agencies in very dry, hot and sparsely populated areas with larger lots, most clustered in the inland valleys of the state. It also does not account for opportunities to improve indoor efficiencies, as outdoor use dwarfs indoor use in these hot months. Due to the high variability in month-over-month water demands across the state, we recommend that the State Board consider at least a nine-month average of R-GPCD that would mirror the compliance period for the emergency regulations.

Consider Early Conservation Adopters: Under The Water Conservation Act of 2009 (Senate Bill 7x7), water suppliers are required to reduce their gallons per capita per day usage by 20 percent by the year 2020, with incremental progress towards that goal by reducing per capita water use by at least 10 percent by the year 2015. Many agencies have committed substantial resources toward meeting this statutory goal and are performing well. These agencies have already improved water use efficiency and have reduced their GPCD consumption through investments in both indoor and outdoor water conservation programs. As a result, these agencies' demands are somewhat "hardened," thereby limiting their ability to implement significant additional GPCD reductions in 2014 and 2015, relative to the arbitrary baseline of 2013.

Avoid Monthly Comparisons: Progress towards demand reduction should be tracked on a cumulative basis, not comparing monthly data. Monthly water use can vary significantly with weather and other factors and is not an indicator of long-term trends. Moreover, the State Board's monthly publication of the data in this manner sends a confusing message to the public and skews the actual level of water use efficiency that is being achieved. The proposed method could be tracked with a rolling GPCD that takes into account the past 12 months of water use.

Recognize the Effectiveness and Impact of Allocation-Based Tiered Rate Structures: Allocation-based tiered rates send a strong price signal encouraging customers to efficiently use water. To develop allocation-based tiered rates, a significant amount of data is collected to set individualized budgets. This data includes persons per household and information about irrigated landscape area that can be used to set efficiency targets. We encourage the State Board to include an alternative compliance method for agencies with eligible rate structures.

We urge the State Board to adopt a methodology that more fairly and equitably addresses the unique characteristics of local agencies and populations statewide.

Western is concerned that the extremely rapid pace of these regulations could have significant long-term, unintended consequences. We hope for rain and a return to normal hydrology. However, it is

quite likely that the state may be facing another round of such emergency water use regulations twelve months from now. Therefore, we request that the State Board create a workgroup of water use efficiency experts and other stakeholders from around the state to develop a more sophisticated approach for next year.

The fact sheet that accompanied the draft regulations released on April 28 seek specific feedback on whether the regulations should allow water suppliers whose resources include groundwater to apply for inclusion in the 4 percent reserve tier; if they can demonstrate 4 years of supply; have no reliance on imported water; and can ensure natural recharge of those basins. Western believes that such a methodology has merit but stops short of recognizing the value of groundwater in an agency's water supply portfolio. Groundwater from such sustainable sources that make up some, but not all, of an agency's supplies should reduce the water use percentage reductions called for in proportion to the groundwater supplies amount to the agency's total supplies.

Finally, as the state prepares for the possibility of the drought extending beyond February 2016, we look forward to working productively with the State Board and other water professionals to collaborate on a longer-term, sustainable plan that uses best management practices to benefit the state. On behalf of Western Municipal Water District and the 900,000 Californians in western Riverside County whom we serve in both a wholesale and retail capacity, thank you again for the opportunity to provide comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Rossi', with a horizontal line extending to the right and a small dot at the end.

John V. Rossi
General Manager