San Diego County Water Authority
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May 4, 2015

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

Sent via email to: commentletters@waterboards.ca.gov

Dear Ms. Townsend:

The San Diego County Water Authority appreciates the opportunity to provide recommendations on the State Water Resources Control Board's Proposed Drought Emergency Conservation Regulations. Consistent with our comments on both the proposed framework and draft regulations, we are disappointed that the proposed final emergency regulations do not adequately address and balance the value of local and regional investment in drought-proof water supplies.

With California experiencing a fourth-consecutive year of drought and the possibility that it could continue into 2016 and beyond, the Water Authority supports the Governor's call for increased water conservation and has called upon residents across the region to significantly reduce their use of potable supplies. While an important tool in managing droughts, demand reduction cannot be the sole focus of our efforts. To meet the challenges of a prolonged drought, communities must also invest in local drought-proof supplies. Only through this multi-faceted approach can we protect the State's $2 trillion economy and the health and welfare of the citizens of California.

The Frequently Asked Questions and draft resolution pertaining to the proposed regulations acknowledges that investments in potable reuse technologies and desalination are a key part of diversifying local supply options and making communities more resilient in the face of drought. Communities will only invest in these local supply options when they know the direct supply benefits from these investments will be realized to protect their economies and quality of life during times of supply shortage. We are disappointed that the emergency regulations do not acknowledge this linkage between investments and corresponding supply benefit.

The Water Authority recommends that the State Water Board modify the regulations to acknowledge and provide that any new drought-proof supplies developed after 2013 should be credited towards an urban water supplier's savings target with a focus on the economic productivity of the commercial, institutional and industrial sector. Attached is a concept developed by the Water Authority to modify the proposed regulations.

The proposed regulations can play a vital role in advancing the Governor's Water Action Plan and state law if they provide appropriate credit for the development of drought-proof water supplies. We again ask you to consider this important policy as you move forward to finalize regulations.

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. Specifically, the Roadmap for Action in the 2013 update prioritizes regional self-reliance:

> *"Increase regional self-reliance for water by investing in water use efficiency, water recycling, advanced water technologies, local and regional water-supply projects, improved regional coordination of local and regional water supplies, and other strategies."*

In addition, The Delta Plan published by the Delta Stewardship Council in 2013, said:

> *"Consequently, to achieve the statewide water supply mandates and the coequal goal of statewide water supply reliability, regions located outside the Delta also must take actions outside the Delta to increase water efficiency and develop sustainable local and regional sources of water, which will contribute to improved water supply reliability. Individual actions by water suppliers throughout the state will be vital to success in this regard."* (Emphasis added.)

A similar mandate occurs in Section 85021 of State Water Code (added by SBX7-1, 2009):

> *"The policy of the State of California is to reduce reliance on the Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency. Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts." (Emphasis added.)*

Consistent with the Governor's California Water Action Plan, the San Diego Region has proactively diversified its water supply and has developed drought-proof supplies 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 of Southern California. This has been done at a substantial cost through proactive water conservation programs, development of local recycled water supplies, 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. The local ratepayers in the region have supported this approach with the expectation of receiving the benefit of their investment.

While the proposed regulations have an initial effective period of only 270 days, the drought could continue on for more years. The development of new drought-proof supplies may prove to be the only method to protect California's economy from more prolonged and recurring droughts. Modifying the proposed regulations to provide an increased emphasis on new supply development to support the local economy would encourage supply development, when civic leaders, businesses, industries and residents receive the direct benefits of their investments to improve local water supply conditions to protect their economies and quality of life from the specter of even steeper cutbacks.

Sincerely,

Maureen A. Stapleton
General Manager

Enclosure

Attachment A

San Diego County Water Authority Concept
On State Water Board Draft Drought Emergency Water Conservation Regulation
Comprehensive Approach to Achieving Reduced Potable Usage in the CII Sector
May 4, 2014

The following concept provides a comprehensive approach to achieving reduced potable water usage in the commercial, industrial, and institutional (CII) sector, while protecting California's economy. The concept also provides an opportunity for the State Water Board, in developing the current regulations, to look beyond this fourth-consecutive year of drought and provide an incentive for local agencies to expedite the development of new drought-proof supplies and encourage CII entities to move forward in ensuring efficient use of water by conducting audits and implementing conservation best management practices. In formulating and adopting these regulations, the State Water Board should consider the very real possibility that this drought will stretch into a fifth and sixth year – perhaps longer.

Concept

Urban water suppliers may be allowed to subtract the water supplied to CII from the amount of water subject to their conservation standard if all the following criteria are satisfied:

1. Urban water supplier's potable water supply contains a new drought-proof supply, developed after 2013, that is of adequate quantity to account for the percent reductions in CII water usage. The urban water supplier must provide written proof that the long-term drought-proof supply meets the following criteria:
    a. Written agreements, contracts, or other guarantee are in place that identifies the long-term availability of the supply to the urban water user; and
    b. Drought proof supply, such as potable reuse, seawater desalination or other supply not impacted by California's drought
2. The urban water supplier shall immediately limit outdoor irrigation or ornamental landscapes or turf with potable water to no more than two days per week for all CII properties.
3. The urban water supplier shall immediately develop and within 30 days implements an education and outreach program to CII customers on the severity of the drought in California, the importance of water use efficiency in all sectors, and the benefits to the CII customers to perform audits and implement conservation BMPs identified in the 2013 "Commercial, Industrial, and Institutional Task Force Water Use Best Management Practices Report to the Legislature". Future and past audits and associated efficiency improvements in the CII sector will help demonstrate the commitment of those customers to using water efficiently and ensure that a reliable water supply will continue to be available for their use.

Objectives Satisfied through Implementation of the Concept

1. **Complies with Governor's Executive Order.**
    - Achieves the Executive Order directive calling for restrictions to be imposed that would require that commercial, industrial and institutional (CII) properties, such as campuses, golf courses, and cemeteries to immediately implement water efficiency measures to reduce potable water usage. The concept satisfies this objective through the following:

- Limited 2-day-per-week irrigation with potable water of ornamental landscapes and turf on CII properties
- Requiring urban water suppliers to educate the CII sector on the benefits of conducting audits and implementing conservation BMPs targeting water-use efficiency indoors

- Does not modify the conservation standard in the emergency regulations that is set to be achieved by the residential sector or other urban water suppliers' conservation standard. The concept satisfies this objective by subtracting CII sector usage from the total potable production used to determine compliance with the conservation standard

2. Implements Recommendations from the 2013 CII Task Force Report.

- Prepared in accordance with SBX7-7, the 2013 "Commercial, Industrial, and Institutional Task Force Water Use Best Management Practices Report to the Legislature" (CII Report), identifies specific conservation best management practices (BMPs) to support the CII sector's efforts to improve water use efficiency and support California's water supply sustainability

- As stated in the CII Report: *"The CII sector is fundamental to California's economy and structure. It employs residents, provides goods and services, and maintains the state's position as a center for technology and innovation."*

- The CII Report concluded that because of the unique characteristics of CII sector customers, water audits should first be performed by the CII entities to identify opportunities for implementation of conservation BMPs.

- While many water suppliers and individual businesses have been proactive in implementing audits and efficiency improvements, minimal action has been taken on a statewide basis to date to implement the CII Report recommendations. Through the emergency regulations, the State Water Board has an opportunity to demonstrate leadership in moving this effort forward statewide.

3. Encourages Development of Local Supplies, Consistent with State Water Policy

- Section 85021 of State Water Code (added by SBX7-1, 2009) states: "*Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts."*

- 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. Specifically, the Roadmap for Action in the 2013 update prioritizes regional self-reliance: *"Increase regional self-reliance for water by investing in water use efficiency, water recycling, advanced water technologies, local and regional water-supply projects, improved regional coordination of local and regional water supplies, and other strategies."*

- Through the emergency regulations, the State Water Board can demonstrate support and leadership for increasing the development of local supplies that reduce an agency's reliance on supplies vulnerable to drought.

Sample Urban Water Supplier

The information below provides an example of how the proposed concept would be applied to an urban water supplier looking at the 270 day emergency regulation period. During implementation of the emergency regulations, this same approach would be applied to an urban water agency's monthly reporting and measuring of compliance. Table 1 contains characteristics of the urban water supplier regarding their total potable production, State Water Board conservation savings standard and current yield from the urban water supplier's drought proof supply. Table 2 provides a calculation of the savings to be obtained from the residential sector through demand management measures. Table 2 also shows the potential savings for the CII sector required under the conservation standard. Table 3 provides a check-list to determine if an agency complies with the criteria that would allow them to subtract their CII usage from the total potable production for baseline and conservation purposes.

Table 1: Urban Water Supplier Characteristics	
Total Potable Production 2013 (June – Feb)	10,000acre-feet (AF)
SWRCB Emergency Regulation Conservation Standard	20%
Current yield of new local drought-proof supply for 9-month period (on-line after 2013)	1,200AF

Table 2: Calculate Savings	
Residential Usage included in Total Potable Production (June – Feb)	6,000AF
Total Residential Savings obtained through demand management (6,000 multiplied by 20%)	1,200AF
CII Usage included in Total Potable Production	4,000AF
Total CII savings potentially required under the 20% conservation standard (4,000AF multiplied by 20%)	800AF

Table 3: CII Sector Compliance	
Criteria	Complied?
Does local drought-proof supply exceed CII savings	Yes. 1,200AF > 800AF. Then subtract the full CII conservation savings.
Certification that local supply is long-term and drought-proof	Yes. Provided 20-year supply availability contract.
2-day a week watering limitation of ornamental landscape and turf	Yes. Restriction contained in water shortage contingency plan and enforcement
Education and outreach program to CII sector on indoor usage	Yes. Outreached to industrial and commercial groups, distributed materials and performed other measures pertinent to community

Suggested Draft Regulatory Language

865(f) Each urban supplier that adds a new drought-proof supply, such as potable reuse, seawater desalination or other supplies not impacted by California's drought after 2013, as part of their potable water supply may subtract the amount of water supplied to their commercial, industrial, and institutional (CII) sectors from its total production. In order to subtract the full CII production amount, the new drought-proof supply must be of adequate quantity to account for the percent reductions in water usage determined in Section 865(c), as applied to water supplied to the CII sector. If the drought-proof supply is not adequate to cover the CII percent reduction in water usage determined in Section 865(c), the urban water supplier may deduct a corresponding proportional amount of the water supplied to their CII sectors from its total production. The new drought-proof supply must be of adequate quantity to account for the percent reductions in water usage determined in Section 865(c), as applied to water supplied to the CII sector. The urban water supplier shall also implement the following actions:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water in the CII sector to no more than two days per week; and

(2) Educate customers in the CII sector on the severity of the drought, importance of implementing water use efficiency, and the benefits of conducting audits and implementing conservation best management practices for efficiency as identified in the 2013 CII Task Force Report or other current sources of information.