



IRVINE RANCH WATER DISTRICT

15600 Sand Canyon Avenue • P.O. Box 57000 • Irvine, California 92619-7000 • (949) 453-5300 • www.irwd.com

May 4, 2015



The Honorable Felicia Marcus
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

RE: Comments on Proposed SWRCB Emergency Conservation Regulations

Dear Chair Marcus:

Thank you for the opportunity to provide additional comments for the State Water Resources Control Board's (SWRCB) consideration as it weighs adoption of the proposed emergency regulations related to urban conservation and drought response. As we have previously stated, the Irvine Ranch Water District (IRWD) understands the importance of achieving a 25 percent reduction in potable urban water use at this time as California enters the fourth year of a severe drought. We remain committed to achieving the reduction assigned to the District, while continuing to achieve long-term water savings.

IRWD has reviewed the proposed regulations released by the SWRCB on April 28, 2015. The District appreciates the challenge before the SWRCB to develop an emergency regulation related to the 25 percent statewide reduction. We appreciate the further refinements made to the April 28 proposed regulations addressing some of the public comments and concerns received by the SWRCB. Nonetheless, IRWD remains concerned that the proposed regulations continue to apply a method to apportion urban water supplier reductions that results in several inequity and implementation concerns.

We hope that the SWRCB will consider several further refinements to the proposed regulations:

A) The apportionment model for the 25% reduction in urban water use should be based on solid policy objectives.

We recognize and appreciate the SWRCB's challenge in developing an easy to understand apportionment of the 25 percent water use reduction allocating a proportionally higher reduction to those areas with higher per capita use. Unfortunately, the proposed regulation does not result in an apportionment scheme that ensures efficient water use by Californians.

Measurement and analysis of reasonable and efficient water use is complex. Evaluation based on average monthly R-GPCD from three of the driest months of the year does not tell the whole story with regards to water use and whether an area's water use is efficient and reasonable. While we understand the attractiveness of a model based on a three-month R-GPCD average, by not taking into account additional factors the proposed regulations results in an inequitable apportionment of water use reductions for many agencies and cities.

IRWD asked that the SWRCB use the following policy objectives to guide its actions related to the proposed regulations and asks the SWRCB to modify the proposed regulations to reflect these objectives:

- 1) ***Meets the Governor's mandate:*** Achieves the required statewide 25% reduction from 2013 potable use.
- 2) ***Apportions water supplier reductions based on per capita use:*** Complies with the Governor's Executive Order mandating that reductions be allocated relative to per capita water usage. Those areas with higher average per capita usage are expected to achieve greater reductions than those with lower usage.
- 3) ***Limit Economic Impact of Required Potable Water Use Reductions:*** The Governor and his Executive Order have directed that the State should try to mitigate the impact of mandatory water restrictions on California's economy. California's urban centers comprise the majority of California's economy and the apportionment method should limit negative economic impacts within the urban Commercial, Industrial and Institutional (CII) sector.
- 4) ***Accounts for demand hardening and climate:*** Allocates the reductions to equitably balance prior conservation and current R-GPCD. This avoids penalizing agencies that invested aggressively and wisely in implementing conservation programs before 2013. Outdoor water use should be efficient in both cooler and warmer climates. The apportionment method used should take differences in climate into account so that water efficient landscape, which have been or will be installed across the state as part of the Governor's effort to replace 50 million acre feet of turf, can be maintained in the state wide variety of climate zones.
- 5) ***Encourages long-term conservation:*** Allocation-based rates provide long-term conservation. By integrating a performance efficiency standard for agencies with allocation-based rate structures, it would encourage adoption of these rate structures while requiring agencies that already have these structures to obtain even greater water savings.
- 6) ***Considers population growth:*** Adjust for population growth by considering average 2014 and 2015 population, production and R-GPCD. This avoids penalizing agencies that have experienced growth since 2013. The statewide target is still based on a reduction from 2013 potable production.
- 7) ***Sets minimum and maximum conservation requirements:*** Every agency must save at least 10% and no agency is required to cut more than 35%.

Even if the SWRCB adopts the regulations as proposed, we suggest that the SWRCB convene a technical stakeholder committee tasked with working with the Board to develop future drought and long-term water conservation regulations.

B) The adopted emergency drought regulations should exclude extraordinary supplies from an urban water supplier's potable water supply production.

Extraordinary supplies are defined as supplies that have been developed to increase an urban water supplier's water supply reliability, and are in addition to the normal or regional supplies upon which the agency draws. Very few agencies in the state have taken the remarkable step to create extraordinary supplies of water that are not accessed except in declared shortage situations. In the case of IRWD, the District has engaged in water banking during wet years so that it can have an emergency supply of water, which is only to be utilized in a time of severe shortage.

Forethought and investment in extraordinary supplies should be encouraged by the SWRCB. An urban water supplier should not face punitive consequences for drawing upon those planned, extraordinary supplies during this time of shortage. Urban water suppliers should be allowed to draw upon these extraordinary supplies during this time of drought, as was intended when ratepayers invested in these supplies, to supplement their limited potable water supplies.

IRWD asks that the following language be added to the draft regulations allowing agencies to use these extraordinary supplies without suffering negative consequences as a result of the regulations.

Add Section 865(b) (3):

“Each urban water supplier that has demonstrated to the Executive Director, or his designee, that it has an available extraordinary supply, which is a potable water supply that has been developed exclusively to augment an urban water supplier’s water supply reliability during times of declared shortage and is in addition to the normal and regional supplies that the agency draws upon during non-shortage times to meet potable water demands within its service area, shall not be required to include potable water production from the extraordinary supply in a monitoring report required by subsection (2).”

C) The adopted emergency drought regulations should continue to recognize the effectiveness and impact of allocation-based tiered rate structures in achieving water savings.

Last July, in the first emergency conservation regulations, the SWRCB recognized allocation-based tiered rate structures as a highly effective way to achieve sustained demand reductions in urban water use without the need to impose mandatory restrictions. IRWD asks that the SWRCB again acknowledge this effective tool in the proposed emergency regulations it is considering tomorrow.

Allocation-based tiered rates send a strong price signal encouraging customers to efficiently use water. In order to develop allocation-based tiered rates, agencies collect a significant amount of data to set individualized water budgets. This data includes persons per household and information about irrigated landscape area that can be used to set water efficiency targets. Because of the data available to agencies with allocation-based rate structures, agencies with such structures know precisely the level of water efficiency within their service areas and can use their rate structures to meet a performance-based water efficiency standard.

We encourage the SWRCB to provide a performance-based efficiency standard option for calculating the targets for agencies with allocation-based rate structures or for those that transition to them during the reporting period as agencies with these rate structures can adjust their water budgets based on data and efficient water use. Agencies choosing this option would need to demonstrate the actual water savings they would achieve from meeting a performance efficiency standard, based on the actual irrigated area (residential and commercial) and population within their service area.

The proposed performance efficiency standard would be based on:

- 1) A residential indoor residential use on 55 gallons per capita per day:*** A state standard was set in SB x7-7 of 55 GPCD for residential use. December of 2014 was a wet month across the state and, therefore, residential water use in that month should reflect mostly indoor water demand. A review of the R-GPCD data submitted to the SWRCB shows that the average indoor use across the state is

close to 72 GPCD. Meeting a 55 GPCD target is a 24 percent reduction of average indoor use, and should be encouraged.

- 2) ***Outdoor water use for drought tolerant plants, and drip irrigation or other equivalent irrigation system:*** This represents a more efficient landscape standard than is currently used in the State's Model Water Efficient Landscape Ordinance. Use of this standard for outdoor irrigation strongly limits the use of turf (proposed ET Adjustment factor of 0.6), and aligns with the Governor's Executive Order which promotes the use of drought tolerant plants. It would apply to residential, commercial, industrial and institutional landscape accounts. It would also limit the impact the regulations on indoor commercial, industrial, and institutional water use which could adversely impact the economy.

- D) The adopted emergency regulations should recognize indirect potable reuse projects as reuse/recycled water projects. The SWRCB should treat water produced from IPR projects in the same manner it treats recycled water production, and should not consider water production from IPR projects in the amount of potable water produced by agencies.***

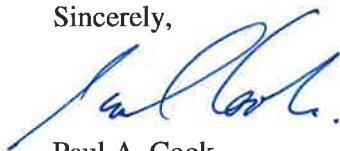
Implicit in the concept of reliability is the responsibility of water suppliers to develop an array of strategies to meet existing and future water needs. IRWD, like others throughout the state, has actively developed and made substantial investments in alternative local supplies, recycled water, IPR and water use efficiency in order to prepare for times of drought and limited imported water supplies. These efforts have not only allowed our agency to become more self-reliant, but have also aided the entire state by lessening the demand for imported water.

During times of drought, the benefits of increased self-reliance continue to accrue to the state. A lower demand on the state's water supplies is a benefit for the entire state as it means those impaired supplies can go further. This benefit has been recognized by the SWRCB for recycled water in the current emergency drought regulations; however, the benefits of similar reuse projects have not been recognized in the proposed framework. The SWRCB should treat all recycled water and reuse projects equally, and its framework should reflect this understanding of water from IPR projects, which if not implemented would result in water discharges and the water not being put to beneficial reuse.

IRWD asks the SWRCB to clarify that water production from IPR projects be treated the same as recycled water, and that urban water suppliers are not required to report IPR production as part of their potable water supply production. Furthermore, IRWD asked the SWRCB to enact this change retroactively and allow agencies to correct their reported numbers for 2013 and each reporting period since June 2014 to better reflect potable water production from non-reuse projects, which are impacted by the drought. To limit the exclusion of IPR projects to those projects which are truly indirect potable reuse projects, the SWRCB may want to consider using the definition of IPR contained with SBx7-7.

Again, we would like to reemphasize that IRWD understands the importance of preserving California's water supplies, especially in times of drought. We are committed to taking the necessary steps to encourage water use efficiency and the wise use of water including the implementation of innovative conservation measures during this time. Thank you again for considering our comments on the proposed emergency regulations. Please do not hesitate to contact me at (949) 453-5590 if we can be of assistance to you or your staff.

Sincerely,



Paul A. Cook
General Manager