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May 5, 2015

LATE COMMENT

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

RE: Association of California Cities – Orange County’s Support for Final Rules to Implement Executive Order B-29-15

Dear Chair Marcus,

The Association of California Cities – Orange County appreciates the opportunity to comment on the final rules to implement Governor Jerry Brown’s April 1 Executive Order B-29-15. As the largest local government advocate in the region, we offer these comments on behalf of our members, Orange County’s cities, water districts, county agencies and the County of Orange.

First, Orange County’s local government community, via the ACC-OC, supports the State Water Resources Control Board and Governor’s recent actions. While local agencies have had individual comments or concerns, the broader local government community recognizes the need for significant and immediate reductions in local communities and we applaud the State Board’s unanimous approval of emergency regulations.

Indeed, a number of our local agencies and city-owned utilities have embarked on significant measures to achieve the Governor’s mandated cuts. The following are just a small sample of these efforts.

Emergency Investments & Outreach

City of **Huntington Beach** has among the highest rates of turf replacement applications in the state (it leads Orange County), due in large part to its aggressive and drought-specific outreach. The City has seen an exponentially higher amount of applications and was recently awarded the National Mayor’s Water Challenge honor as a result of its success. The City is also exploring waving fees to large users that are looking to install significant water-saving devices.

In **Mission Viejo**, the City Council recently issued \$50,000 for immediate and urgent fixes to outdated irrigation systems. It is piloting new and advanced irrigation technology that measures water use to 0.001 of an inch and has replaced dozens of acres of landscaped



medians with drought-tolerant plants. It plans to authorize even more reserve funding in its FY16 budget to expand this urgent retrofit. It has also waived fees for residents and businesses that install water-saving programs. The **City of Tustin** also authorized \$20,000 last fall to address similar measures.

Conservation-based Pricing

At **Mesa Water District**, a uniform volumetric rate structure has drawn a direct nexus between cost and use (i.e. use three times more than targeted, and you will be charged three times as much). This simple, easy-to-understand approach, coupled with outreach efforts, has helped cut the District's use by 20 percent.

Further south, **Moulton Niguel Water District** has implemented budget-based rates to achieve significant conservation. This is in direct correlation with the Governor's call for new and innovative rate structures. Moulton Niguel has also implemented State 2 of its Water Shortage Contingency Plan, which will alter its water budgets to help meet targets.

These are just a sample of the hundreds of actions being taken by local governments that are above and beyond what's required by the state. These are not easy decisions – both from a cost and public policy perspective. However, our local leaders recognize the need during this historic drought and are proud to do more than our fair-share.

That is Orange County's commitment to the State.

Our Request of the State: Streamline and Fund Our Local Projects

This urgent and short-term action is also backed by long-term strategy and investment. In fact, Orange County is the hub of innovation as it comes to new water supply via conservation, groundwater use, desalination, storage and supply diversification.

Unfortunately, this innovation is often stymied by funding or regulatory delays. That's why we were very pleased to see the Governor's call to release funding from Prop 1 (and other sources) as well as streamline environmental reviews for water reliability projects.

As dozens of Orange County agencies and cities implement urgent and costly solutions to **cut water use by 25 percent, we ask that the State work with us to make it 25 percent easier** to implement innovative, long-term water reliability visions through regulatory relief and financial support.

Desalination – Coastal Commission

For example, the proposed desalination facility in Huntington Beach has been stuck in regulatory limbo for decades. This project would provide nearly 10 percent of the County's needs with proven technology already being implemented in Carlsbad. Poseidon (project applicant) is currently exploring a water purchase agreement with the Orange County Water District. Once this is complete, we urge the State to support the project and its benefits as it appears before the California Coastal Commission for its final regulatory permits.

Innovative Water Supplies – Multiple Agencies

Santa Margarita Water District's Cadiz Valley Water Conservation, Recovery and Storage Project would bring upwards of 50,000 acre-feet of new supply to Orange County in an

environmentally sensitive way. The Project is currently awaiting approvals from the Bureau of Land Management and Metropolitan Water District. We urge the state to put its weight behind this necessary project.

Groundwater Replenishment

Orange County Water District's Groundwater Replenishment System has long been supported by the State. In just seven years, the project has produced more than 475,000 acre-feet of new, fresh, potable water for Orange County. It's an investment paying dividends now, and for generations to come. However, it can grow even further, and OCWD is actively seeking funding to support this expansion. This expansion effort would expand the facility to treat another 31,000 acre-feet annually.

These are only a sample of the innovative, long-term water reliability projects planned for Orange County. We hope that the State will make these projects 25 percent easier to complete, as we seek to cut water use by 25 percent locally and immediately.

Again, the ACC-OC is supportive of the Governor's significant calls-to-action. Our local governments are responding with urgency and earnestness to help beat this drought in the near-term. We also look forward to expediting, funding and untying worthy water reliability project to protect our state, economy and families for generations to come.

Sincerely,



Lacy Kelly
CEO, ACC-OC

CC: Governor Jerry Brown
ACC-OC Board of Directors
Thomas Howard, Executive Director, State Water Board