



...Dedicated to Community Service

2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004
TELEPHONE: 670-2222, AREA CODE 619 www.otaywater.gov

November 30, 2015



To: commentletters@waterboards.ca.gov

Subject: "Comment Letter – Urban Water Conservation Workshop"

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

Dear Ms. Townsend:

As President of the Board of Directors of the Otay Water District ("Otay"), I want to first and foremost thank you for the opportunity to submit these comments regarding potential changes to the Emergency Regulation for Statewide Urban Water Conservation to the State Water Resources Control Board. While we appreciate the Board's efforts to address statewide issues during drought conditions by encouraging increased water conservation through the current Emergency Regulation, the one-size-fits-all nature of the regulations has unfortunately failed to take into account extraordinary efforts to reduce water usage by agencies in Southern California such as Otay while also removing incentives for new water supply projects. Modifications to the Emergency Regulation to avoid such unintended consequences, including essentially punishing agencies who took great steps to reduce usage even prior to the regulations, would, thus, be more equitable and beneficial to all while still ultimately fulfilling the goals of the regulations.

The current regulations focus on achieving the state's water reduction standards solely through conservation and does not allow regional or local water agencies to realize the benefits of their investments in water supply reliability – investments in self-reliance that are consistent with Governor Brown's Water Action Plan and which often require considerable time and expense. For example, here in San Diego County water agencies both individually and collectively through the San Diego County Water Authority ("CWA") have made billions of dollars in investments in developing a portfolio of sustainable water supplies specifically designed to make our region less vulnerable to droughts and devastating water supply cutbacks. CWA's decades-long efforts at establishing a desalination plant have finally come to fruition in the Poseidon desalination plant in Carlsbad. Similarly, Otay is exploring its own desalination supply from Rosarito Beach in Baja California, Mexico and a new groundwater supply from the Cadiz project in San Bernardino County. The current regulations, however, strip away the drought protections these supplies provide by not allowing the region to benefit from these investments. Not only do the regulations deprive agencies of taking advantage of alternative supplies that have already been established, this approach also threatens to discourage ratepayers from supporting future water supply investments, stunting California's ability to meet the needs of its growing population amid a changing and more challenging climate.

Just as the regulations approach fails to take into account efforts at drought-proof supplies, it also more generally fails to acknowledge the differing supply situation of different regions. Because of years of efforts in both decreasing usage by conservation, increasing storage, and developing alternative supplies such as those discussed above, the San Diego region is in a drastically different supply situation than many other parts of the state. The more local, drought-proof supplies the San Diego region develops, the less water it is required to acquire from the Metropolitan Water District and the more pressure it takes off of the Bay Delta. The benefits of such supplies are evident. One of the reasons that San Diego is in such a good supply position is years of reduced usage by customers throughout the region. Otay users, for instance, have reduced their usage to only 71.9 gallons per capita per day, among the lowest per capita usage in the state. Despite such great reductions, however, Otay's customers have been arbitrarily asked to further reduce their usage even while they worked hard to put themselves in a better water position.

The impacts of such forced reductions will be felt long-term. For instance, the imposition of demand reduction targets as the state's primary drought response places California at a competitive disadvantage in terms of business attraction and business expansion. Businesses are unlikely to relocate to or expand their businesses in California under prolonged water use reduction mandates that ignore the availability of sustainable water supplies to meet our state's economic needs. These businesses and industries need to be convinced that the state is doing everything in its power to develop new and drought-resilient water supplies to serve their businesses. One of the things the state can do now is amend the regulation to provide credits for new supply development.

The Emergency Regulation has also contributed to rising water rates for residents and businesses, as local water agencies are forced to meet their revenue requirements on lower sales. Such rising rates have created a palpable level of frustration for all ratepayers who are upset by the concept of "paying more for using less," particularly ratepayers who have been reducing their usage for years. Such sentiments could undermine public support for ongoing conservation and continued investment in sustainable water supplies and infrastructure.

Finally, the regulations are threatening property values by leading to dead, unsightly landscapes, causing the removal of beneficial mature trees, and inhibiting efforts to re-landscape dead lawns with water-smart plants, which require irrigation to establish even though they reduce overall water use in the long term and also provide aesthetic and environmental benefits. Without healthy landscapes, soil erosion and stormwater runoff will increase, wildlife habitat will decrease and the urban heat island effect will intensify. Again, after years of reducing usage in prudent, economical ways, the additional reductions called for by the regulations left many customers with no choice but to take drastic measures such as permanently removing lawns, which seems like an easy fix but can have some of the negative consequences discussed herein.

While the intentions of the Emergency Regulation are commendable, the rigid approach and its unintended consequences require reconsideration. In particular, it is critical to maximize the water reliability benefits of drought-resilient and sustainable water supplies, such as the Carlsbad Desalination Project discussed above, during drought conditions to help support California's economy and quality of life. It is for this reason that we support modifications to the Emergency Regulation to allow water agencies to meet reduction targets through a combination of conservation and sustainable drinking water supplies, such as desalination, potable reuse and long-term transfers of conserved water. This is a more balanced, more flexible approach to drought management which will help save water now, given our current supply challenge, and better prepare California for future droughts. Moreover, and

crucially, more flexible and narrowly-tailored regulations would be more in line with the Water Board's authority as the regulations would presumably more closely track waster or unreasonable use, which is not currently the case as the regulations are applied to agencies such as Otay. Where agencies have prepared for the drought such as the CWA agencies have, restricting use of supplies it has built up over many years of great efforts can hardly be considered to target waste or unreasonable use, particularly with low per capita usage as Otay has. Thank you for your time and efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Jose G. Lopez". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jose Lopez
President, Board of Directors
Otay Water District