



IRVINE RANCH WATER DISTRICT

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December 2, 2015

The Honorable Felicia Marcus and Board Members
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Subject: Comment Letter - Urban Water Conservation Workshop

Dear Chair Marcus and Members of the State Board:

Irvine Ranch Water District (IRWD) appreciates the opportunity to provide input to the State Water Resources Control Board ("State Board") on the potential extension and modification of the existing Emergency Conservation Regulation ("Emergency Regulation") that may be imposed should the drought continue into 2016 or beyond. IRWD understands the importance of preserving and maximizing water supplies, especially in times of drought, and is committed to helping the State manage water resources sustainably. We have taken many steps over the years including implementation of innovative water use efficiency programs, adoption of an allocation-based tiered rate structure that discourages wasteful use through meaningful pricing, development of a diversified water supply portfolio, and planning for and investing in emergency storage supplies designed to increase reliability during a shortage.

Through a separate coalition letter IRWD has responded to the three questions posed by the State Board in the workshop announcement. The purpose of this letter is to provide written comments in advance of the December 7, 2015 Public Workshop regarding a separate proposed refinement to the Emergency Regulation related to the use of emergency storage.

What elements of the existing Emergency Regulation, if any, should be modified in an extended Emergency Regulation?

Throughout California, water agencies have developed and managed water supplies to reduce the impact of shortages. A few agencies, including IRWD, have planned very specifically for shortages and invested in the development of emergency storage supplies, which are intended to provide increased reliability to customers during a drought or shortage. Emergency storage supply is water that is specifically dedicated to providing increased reliability during a shortage situation. Emergency storage supplies are funded by an agency's ratepayers with the understanding that their investment will provide increased reliability during a shortage. Under

the current regulation, agencies that have developed emergency supplies cannot benefit from investments in emergency storage since the required reduction is applied to all potable supplies. The customers of these agencies, who had the foresight to invest in emergency storage programs, should be able to benefit from those investments, which were designed for situations such as a long-term statewide drought. The regulation should be crafted to recognize the value of planning and investing for drought emergencies and other shortage situations by ensuring the benefits are not vacated. The following eligibility criteria are proposed:

Eligibility Criteria for Emergency Storage Supplies:

1. Must be specifically designed to provide increased supply during periods of a water supply shortage or emergency;
2. Must have been designated a source of supply for use during shortage conditions or emergencies in an adopted Urban Water Management Plan or Water Resources Plan prior to the Governor's April 1, 2015 Executive Order;
3. Cannot involve variations to the use of the agency's existing water supply projects or programs;
4. Emergency supplies cannot provide water on a regular basis to the retail water agency;
5. Use of the emergency storage supply must be through a formal action by the governing body of the agency, which certifies that the project or program meets the eligibility requirements and confirms the source, storage and method of delivery of the water;
6. Must not impact the supplies available to other water agencies during the shortage condition or emergency;
7. The designation and use of an emergency storage supply should be at the discretion of the local agency, factoring in forecasted supplies, customer demand, required reduction, implementation of additional conservation and the anticipated duration of the shortage;
8. An agency using an emergency storage supply shall demonstrate that it has already successfully implemented water conservation measures such as: i) implementation of a water conservation rate structure that is designed to use meaningful pricing to discourage wasteful use; and/or ii) implemented a conservation outreach program designed to meet its conservation standard; and
9. The aforementioned conservation measures must result in the agency meeting an 8% minimum conservation standard calculated using all non-emergency storage potable supplies.

Application of an Adjustment for the Use of Eligible Emergency Storage Supplies

Emergency storage water supplies used from an eligible program during the period of the extended water conservation regulation would not be included in the reporting to the State Board

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of the agency's potable water production. Agencies using emergency storage supplies could be requested by the State Board to report on the volume of emergency storage supply used.

An emergency storage supply is water that would not have been included in baseline year production, and except in an emergency would not enter the agency's distribution system; it is an additional supply to increase reliability. Examples of emergency storage could include a designated emergency storage supply within a managed basin or a reservoir. Therefore, adjustments for the use of eligible emergency storage supplies are minimal and would not significantly impact the overall statewide reduction from the baseline.

Adjustments should be made to the Emergency Regulation to acknowledge the benefit of these emergency storage supplies and encourage agencies to continue to invest in self-reliant water supplies.

As a leader in public policy and governance relating to water resources, IRWD has worked to promote policy initiatives that allow the District, along with other water purveyors in California, to enhance water supply reliability and implement innovative conservation measures. To that end, we propose that an adjustment should be made to the Emergency Regulation to maintain the benefit of emergency storage supplies and to encourage agencies to continue to invest in self-reliant water supplies in the future.

We thank you for your consideration of our recommendation and look forward to working with you to develop a more equitable Emergency Regulation moving forward.

Sincerely,



Paul A. Cook, P.E.
General Manager