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December 2, 2015

Felicia Marcus, Chair c/o Ms. Jeanine Townsend, Clerk State Water Resources Control Board 1001 | Street, 24<sup>th</sup> Floor Sacramento, CA 95814

Subject: Comment Letter - Urban Water Conservation Workshop

Dear Chair Marcus and Members of the Board:

California Water Service (Cal Water) appreciates the opportunity to provide comments regarding the potential extension and modification of the existing Emergency Regulation for Statewide Urban Water Conservation (Emergency Regulation). We thank the State Water Resources Control Board (State Water Board) and staff for your leadership and for this opportunity to provide comment.

California Water Service serves about 2 million people through 478,000 service connections in California and has provided water service in the state since 1926. We have developed a comprehensive, customer-first approach that has allowed us to work cooperatively with our customers to achieve significant reductions.

Our comments are specific to the Emergency Regulation. Any consideration of long-term, permanent regulations regarding conservation and water use reductions should be considered in a separate proceeding. The issues surrounding the need for emergency reductions and those required as part of a long-term strategy differ in significant ways. Any future discussion of an appropriate long-term strategy should be handled in a deliberative manner that takes into account the long-term needs of the State and the associated impacts of additional regulations in order to achieve an effective balanced approach.

Our comments focus on the following elements in the potential extension and modification of the existing Emergency Regulation:

 The method to adjust the statewide reduction target and associated targets specific to each urban water supplier





- Recognition of seasonal variations in water demand
- Recognition of the impacts and differences of population growth
- Recognition of investment in local supply
- Continued inclusion of Alternative Compliance Orders

Below are our comments to the three questions posed by the Notice of Public Workshop provided by the State Water Board.

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

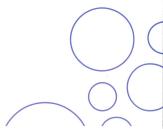
It is critically important that any extension of the Emergency Regulation accounts for current water supply conditions while providing urban water suppliers with the clear direction needed for planning purposes. As such, Cal Water recommends that the State Water Board adopt an adjustment to the existing reduction requirements that is tied to the State's snowpack as of April 1 and is proportionately applied to each urban water supplier.

We are supportive of a method similar to that proposed by the California Water Association (Association) in comments submitted by Jack Hawks on behalf of the Association. Further, it is important that the State Water Board work collaboratively with the California Department of Water Resources and the United States Bureau of Reclamation to determine if elements other than State snowpack are relevant and should be included in any method of adjustment.

Providing a clear and transparent method and timetable of the adjustment to required reductions will help to facilitate planning efforts of urban water suppliers.

## Recognition of seasonal variations in water demand

The current method of determining required reductions based on the 2014 average R-GPCD for July-September does not accurately capture seasonal variations in water demand throughout the State. To address this, Cal Water recommends that required reductions take into account a period more reflective of these seasonal patterns and provide seasonal reduction requirements. This would also allow for messaging that is reflective of these differences.





## Recognition of the impacts and differences of population growth

The current method of comparing current production to the baseline period of 2013 for assessing compliance with required reductions does not take into account areas that have experienced population growth during this recent period. This requires urban water suppliers that serve in high-growth areas to achieve "real" reductions that are greater than their conservation standard by not taking into account changes in population.

Cal Water recommends that an adjustment be made to the 2013 baseline period based on current population which would more accurately reflect "real" reductions achieved by individual urban water suppliers.

## Recognition of investment in local supply

Investment in drought-resilient local supply and the diversification of water supply portfolios should be recognized in any extension of the Emergency Regulation. Elements to consider in any local supply adjustment include, but are not limited to, recycled water, potable reuse, groundwater recharge, desalination, and groundwater banking.

Providing recognition and credit for elements such as these will encourage continued investment in these supply options. This investment, coupled with continued conservation efforts, will provide for a comprehensive approach to water supply planning.

### **Continued inclusion of Alternative Compliance Orders**

Paragraph 16 of the State Water Board Resolution 2015-0032 provides for urban water suppliers to request an alternative method of compliance "if the supplier believes the conservation standard is unachievable due to firm commercial and industrial water..." This option allows for a balance between required reductions and the economic impacts of these requirements.

# 2. What additional data, if any, should the State Water Board be collecting through the Emergency Regulation and how would it be used?

The data being collected through the Emergency Regulation should be determined based on data directly associated with the requirements included in the extended Emergency Regulation. Any data requirements should be carefully considered in order to balance the need and the impact to urban water suppliers.

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3. <u>How should the State Water Board account for precipitation after January 2016 in its implementation of any extension of the Emergency Regulation?</u>

Cal Water provided a recommendation on the accounting for precipitation after January 2016 as part of our response to Question 1 posed by the State Water Board. As discussed, our recommendation would allow for proportionate adjustments to reduction requirements that are tied to relevant data while providing clear direction for urban water supplier planning purposes.

Cal Water appreciates the opportunity to provide comments and looks forward to working with the State Water Board and other stakeholders on this and other related issues.

Sincerely,

Shannon Dean

Vice President, Corporate Communications and Community Affairs

Cc: Commissioner Catherine J.K. Sandoval, California Public Utilities Commission Jamie Ormond, Water & Legal Advisor to Commissioner Sandoval Rami S. Kahlon, CPUC Director, Division of Water & Audits

