



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

March 12, 2015

(3/17-18/15) Board Meeting- Item 7
Urban Water Emergency Regs
Deadline: 3/16/15 by 12:00 noon

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

Dear Chair Marcus,

I am writing on behalf of the Inland Empire Utilities Agency urging the State Water Resources Control Board to adopt the Proposed Emergency Drought Regulations. Based on the current climate and projections, it is clear the hot and dry trend will continue through this year and at least into next year. This "new normal" underscores the need to consider other actions that can help the State manage water supplies during the drought. Therefore, we recommend the following actions be considered:

- Support the board taking a close look at the regions and agencies that are not attaining the Governor's 20% reduction, and determine whether additional incentives or regulatory actions are needed to spur agency by agency response. As the low January 2015 savings numbers show, more action is needed across the State.
- Support increased data collection by the SWRCB. Until the Board initiated reporting requirements, there was limited real time information available to the State about how water was being used and where conservation inroads were being made.
- Support the recommendation from the Delta Stewardship Council to expand data collection to include sources of water supply and water discharges. This information can help the board more equitably balance water needs with water rights considerations.
- Support development of permanent conservation regulations. The Governor's 2014 Water Action Plan establishes a priority to "make conservation a way of life" in California. We can no longer afford to waste water. Permanent conservation regulations will help ensure that this goal is attained.
- Incentivize the removal of any non-functional, ornamental turfgrass areas and encourage the adoption of local ordinances that limit or ban the installation of non-functional ornamental turfgrass.
- Allow local agencies to extend an exemption from the day-of-week watering regulation for accounts that have installed "smart" or "weather-based irrigation controllers. This exemption would recognize the millions of dollars in rebates and widespread deployment of smart irrigation controller technology by agencies statewide. The "day of week" water

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General Manager

regulations are arduous to enforce and is most often not enforced by local agencies. Allowing an "exemption" to users who have participated in agency rebate programs for weather-based/smart irrigation technology from "day-the-week" water regimens would help drive (educate and transform) the use of proven landscape water efficiency technologies.

- Further incentivize adoption of allocation-based rate structures. The State Board recognized the effectiveness of budget based rate structures in the July 2014 Emergency Drought Regulations by allowing exemptions for agencies with these modern rate structures. Budget base rate structures are also the most direct method to enforce existing State water use efficiency standards. As this drought continues and/or demand reductions are required, agencies that do not have modern rate structures will continue to face deepening financial troubles. As headlines throughout the state pronounce, many agencies are not able to generate sufficient sales revenue to cover fixed costs at current demand levels. Many agencies are now faced with having to significantly raise rates (ex: City of Santa Monica 54%, Santa Clara Valley WD 31.8%, Alameda County WD 13-straight years of rate increases, City of Oceanside 178% increases over 10 years) to name a few recent examples. Redesign of rates takes time and data. Incentivizing and/or rewarding the move to budget-based rates may be the most critical action the board can take right now to help agencies balance revenue reliability and increase water use efficiency. Revenue shortfalls from lower water sales undermine conservation efforts and public confidence.

We appreciate the opportunity share our recommendations with the State Board. The Inland Empire Utilities Agency is committed to be a leader in meeting the new challenges of climate change, transforming the landscape and enforcing wise standards for water use efficiency already set in State legislation.

We believe more conservation can be gained with these regulations. Our interest is achieving the most direct path to water efficiency, changing the water-use ethic, and helping sustain our States environment and economy.

Sincerely,

INLAND EMPIRE UTILITIES AGENCY


P. Joseph Grindstaff
General Manager