

An Everyday Essential

PADRE DAM
Municipal Water District



January 5, 2016

Felicia Marcus
Chair
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Delivered To: Kathy.Frevert@waterboards.ca.gov

Subject: Comments on Proposed Regulatory Framework

Dear Chair Marcus:

Thank you for the opportunity to submit Padre Dam Municipal Water District's comments on the staff recommendations for modification of the existing State Water Resources Control Board (Board) Emergency Regulation for Statewide Urban Water Conservation if drought conditions persist into 2016.

The staff recommendations are flawed in their approach and if adopted to address an emergency situation, the Emergency Regulation will set an extremely bad precedent for future drought management actions by the state and be counterproductive to the long term creation of a sustainable water supply in California.

Encouraging prudent water management state-wide is a very worthwhile goal but the staff proposal does not provide a substantive benefit for existing local investments and is a disincentive for Padre Dam or other agencies to make future investments in sustainable supplies. We oppose the recommendation denying credit for investment in non-potable recycling and are extremely disappointed in the failure to provide full credit for all sustainable water supplies in calculating an agency's urban water conservation target. We also oppose imposing a 4% cumulative cap on any credits in this regard.

Padre Dam has been a leader and innovator in water recycling for almost 60 years and is currently in the advanced planning stages of the *Advanced Water Purification Project*, a large scale cutting edge potable reuse project to add up to 20,000 acre feet per year of drought proof supplies to both Padre Dam and the adjoining Helix Water District. Specifically, our potable reuse project will serve 370,000 customers in the region and by 2020 produce 30% of our water supply locally. This project will not only enhance the reliability of water supply for East San Diego County residents and businesses but it will reduce demand for imported water supplies from the State Water Project and eliminate the discharge of up to 17 MGD of wastewater from the Point Loma Ocean Outfall.

Padre Dam is preparing to ask our ratepayers to invest significantly in these new water supplies. Without full credit in the Emergency Regulation, the state will send our ratepayers the message that their investment will be ignored in drought conditions. An emergency regulation should not be allowed to serve as a disincentive to addressing our *long term* needs. If agencies that have proven to be water efficient are not able to use the supply they develop there is no incentive to produce new water supplies.

BOARD OF DIRECTORS
Douglas S. Wilson
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August A. Cairns
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PO Box 719003
Santee, CA 92072
9300 Fanita Parkway
Santee, CA 92071
619 448 3111
www.padredam.org

Giving full credit instead of arbitrarily capping the benefit would be the correct precedent for the Board to set in managing the current and future droughts and would send the right message to agencies statewide that are contemplating these major water supply projects. It cannot be overstated that local decisions to invest in sustainable supplies are tied to substantial improvements in dry year reliability and an enhanced local ability to weather shortages in the imported water supply system or in local surface water supplies.

Padre Dam Supports the Governor's Water Action Plan

Besides sending the wrong signal to local policy makers and their ratepayers, the proposed modifications to the Emergency Regulation undermine the Governor's Water Action Plan by not fully taking into account and providing the benefit of local supplies to local agencies.

The Water Action Plan articulates a sound policy approach to achieving the goal of state-wide water reliability; it is an approach that is being implemented in Padre Dam's service area, in San Diego County and many other areas of the state. The failure to fully account for these local supplies essentially results in the reversal of almost 30 years of public policy on water supply reliability in California.

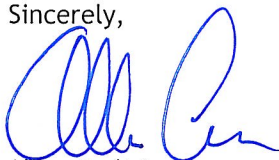
Padre Dam and many other urban water agencies have produced significant amounts of new water supply while aggressively reducing water use in accordance with state policies and support. Through the Urban Water Management Planning Act and its numerous amendments, the state directed and local water suppliers have developed reliable local supplies and reduced consumption. Every update of the State Water Plan (Bulletin 160) since 1993 has recognized as state policy the strategy of local supply development and diversification. Over the last 25 years, the voters of California have approved hundreds of millions of dollars to local agencies to develop local supplies, with Proposition 1 the latest in a long line of bond measures funding local supply projects.

An extended Emergency Regulation that does not take into account the development of these supplies in setting conservation targets would signal that the State continues to maintain a sole focus on reducing water use; a policy that undermines the ability of Padre Dam to implement our *Advanced Water Purification Project* and add this much needed new water supply to our local water resources portfolio. Although State funding is an important part of Padre Dam's financing plan for this project the vast majority of costs for sustainable local supplies fall to our local ratepayers. Without the full benefit of these supplies in times of shortage there is no incentive for local ratepayers to pay higher water bills. In that event, the state will not realize the benefits that our *Advanced Water Purification Project* and similar sustainable supply projects provide to users dependent on less reliable surface water supplies.

Our ratepayers have made significant investments in recycling and demonstrated a commitment to conservation and water use efficiency over several decades and have done so to improve water reliability and supply availability in our District during times of drought and shortages. As we build for the future, please do not set a precedent in this drought that ignores the sustainable supplies already in use and threatens our ability to produce more water.

Thank you for the opportunity to provide comments.

Sincerely,



Allen Carlisle
CEO/General Manager