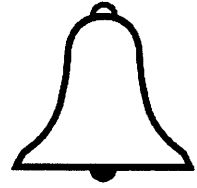


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# Santa Margarita Water District

January 6, 2016

Ms. Kathy Frevent  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95814

**Subject: Santa Margarita Water District Comments on SWRCB Proposed Regulatory Framework**

Dear Ms. Frevent:

Santa Margarita Water District (District) is grateful for the opportunity to comment on the State Water Resources Control Board (State Board) Proposed Regulatory Framework for Extended Emergency Regulation for Urban Water Conservation (Extended Framework). The District recognizes the difficult task the State Board faces to implement statewide emergency drought regulations in the face of regional and local differences of climate, economic growth, and water supply diversification. The Extended Framework proposed adjustments, a maximum cap of a four percent decrease to any individual water supplier's conservation standard, is a step in this direction.

**Growth Adjustment:** The District would like to focus our comments on the Growth Adjustment. As proposed, the Growth Adjustment actually increases the conservation standard for a water utility rather than reducing it. It also exacerbates the concern that existing customers are required to conserve more water to accommodate efficient growth. The District's specific comments on the proposed Growth Adjustments are listed below and the attached spreadsheet highlights the points made:

1. Multiplying the growth percentage by the conservation standard results in an adjustment that is a fraction of the additional demand from efficient growth. Using the proposed framework, the District would be eligible for an adjustment of 0.38%, despite the District's actual growth of 1.6% since 2013. The proposed framework would only provide an adjustment of 89 acre-feet and not the full 377 acre-feet of demand from efficient growth.
  - o As a refinement, the District suggests the State Board add the demand from efficient growth to the 2013 baseline. In the case of the District, this would effectively reduce our conservation standard by the calculated growth percentage of 1.6%. Doing so recognizes efficient growth and also allows water suppliers to address the concern that existing customers, who have conserved, are tasked with having to

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conserve more to accommodate growth. This still falls below the 4% maximum cap established in the Extended Framework and while providing an effective and fair growth adjustment.

2. As proposed, the growth adjustment uses growth from 2013 through 2015. However, water suppliers will experience growth into and through 2016 so the adjustment underestimates the impact to water suppliers and their customers. The District anticipates to bring on over 650 new residential and commercial connections in 2016.
3. The assumption for efficient growth from 2013 to 2015 is based on an ET Adjustment Factor of 55%, which was only implemented in 2015. New growth between 2013 and 2015 was not subject to this standard. Instead, an ET Adjustment Factor of 70% should be used.
4. For residential growth, simply using total number of residential connections fails to capture the total residential growth. Multi-family residences may have multiple dwelling units serviced by a single meter. Using total new dwelling units might be a better metric to capture residential growth and provide more equity for low-income areas.
5. The units used in the proposed regulation are in gallons but should instead be changed to Acre-Feet to better reflect the size and scope of a water utility.

The District thanks you for your consideration of our comments on the Extended Framework.

Very truly yours,

SANTA MARGARITA WATER DISTRICT



Daniel R. Ferons  
General Manager

