

7811 University Avenue La Mesa, CA 91942-0427 (619) 466-0585 FAX (619) 466-1823 www.hwd.com

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January 6, 2016

To: Kathy.Frevert@waterboards.ca.gov

Subject: Comments on Proposed Regulatory Framework

Kathy Frevert State Water Resources Control Board 1001 I Street, 24th Floor Sacramento, CA 95814

Dear Ms. Frevert:

We appreciate the opportunity to submit these comments to the State Water Resources Control Board regarding the Proposed Regulatory Framework for Extended Emergency Regulation for Statewide Urban Water Conservation. We also appreciate the board's efforts to revise the regulations to ensure they are equitable and reasonable when addressing not only the immediate drought but future drought conditions as well.

The current regulations were developed and approved in a very short time frame and applied a one-size-fits-all regulatory policy to all urban water suppliers throughout California, regardless of each agency's unique characteristics or differences in supply availability, reliability and investment in developing drought resilient water supplies. While the proposed framework begins to address these inequities, it does not go far enough in recognizing these differences among water suppliers throughout the state. To address this, we offer the following proposed revisions for consideration before the final framework is adopted:

Drought Resilient Sources of Supply Credit:

<u>SWRCB Proposed Framework</u>: Provide a one-tier (four percentage point) reduction to the conservation standard of urban water suppliers using new drought resilient water suppliers certifying that at least 4 percent of its potable water supply is comprised of indirect potable reuse or desalinated seawater developed since 2013.

<u>Proposed Revision</u>: Provide a one-to-one percentage point reduction to the conservation standard of urban water suppliers for drought resilient water supplies including indirect potable reuse water, desalinated seawater, desalinated brackish water and conserved water from long-term transfers.

Reasoning: The proposed four percentage point reduction to the conservation standard of water suppliers with drought resilient water supplies is helpful, but it does not appropriately acknowledge the significant investment in drought resilient supplies that regions

have made, nor does it reflect the importance and full value of these supplies to California's economy.

The conservation reduction should be directly linked to the urban water supplier's drought resilient supply investments. For example, the urban water suppliers in San Diego County should receive a benefit commensurate with the Carlsbad Desalination Project which is supplying up to ten percent of the total potable water demand for San Diego County through this new, drought resilient supply.

Additionally, the proposed supply credit framework excludes drought-resilient supplies such as desalinated brackish groundwater and conserved water from long-term transfers; these supplies should be included as they provide alternative water supplies separate from the groundwater, rivers, and reservoirs affected by drought conditions.

Within the proposed supply credit framework, using 2013 as a cut-off date needs to be addressed as well. To equitably reflect the long-term investments that communities have made in drought-resilient supplies, the emergency regulations should provide credit for supplies developed prior to 2013. Pre-2013 supplies have better prepared California for this drought and future droughts by helping to reduce, forestall, or in some cases eliminate shortage impacts. In addition, these early investments in supplies are consistent with the Governor's Water Action Plan.

A Cap on Credits and Adjustments:

<u>SWRCB Proposed Framework</u>: All credits and adjustments be capped to allow a maximum of a four percentage point decrease to any individual water supplier's conservations standard (tier).

<u>Proposed Revision</u>: A water supplier may take as many credits and adjustments as they are eligible for, with no supplier being allowed to have an effective conservation rate below eight percent.

Reasoning: Imposing an overall reduction cap on credits and adjustments negate each water supplier's ability to fully utilize those credits and adjustments that are intended to recognize individual supply conditions, local characteristics, and investments in drought resilient supplies that are unique to each community.

Imposing a minimum standard (tier) of eight percent ensures that conservation remains a statewide focus, even in those areas that have planned and prepared for drought.

Revising the Regulations:

<u>SWRCB Proposed Framework</u>: The framework does not address the issue of how the regulations will be adjusted as conditions change.

<u>Proposed Revision</u>: The SWRCB will monitor regional and state water supply conditions on a monthly basis. If the snowpack level is at 150 percent of normal as of April 1, 2016, the conservation mandates will return to voluntary measures.

Explanation: The proposed framework does not address the uncertainties regarding this year's water supply situation and the potential for significant improvements due to El Nino conditions. Nor does it address potential regional differences in water supply as a result. Language should be included in the regulation that require the SWRCB to evaluate regional and state water supply conditions monthly. At minimum, the regulations should be adjusted as appropriate, no later than April 2016, to ensure there is a nexus between the required reduction mandate and supply conditions both statewide and locally. An appropriate benchmark could be if snowpack levels are at 150 percent of normal on April 1, the conservation mandates return to the voluntary status. While we understand we should be cautious as it is possible that drought conditions could return in 2017, it is also possible they may not. The regulations must be responsive to actual conditions in order to ensure credibility with the public we serve and for their continued support, which is critical to the regulation's success.

Summary:

Again, we want to thank you for the opportunity to comment on the Proposed Regulatory Framework for Extended Emergency Regulation for Urban Water Conservation. We anticipate the final regulation that is adopted will offer a more balanced, flexible approach to drought management given our current supply challenge while also better preparing the state for future droughts.

Sincerely.

DeAna Verbeke Board President

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Carlos Lugo

General Manager

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