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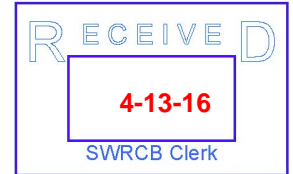
Greg Thomas

General Counsel

Redwine and Sherrill

April 13, 2016

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



(Delivered by e-mail to: commentletters@waterboards.ca.gov)

Subject: Comment Letter – Urban Water Conservation Workshop

Dear Chair Marcus and Commissioners of the State Water Resources Control Board:

On behalf of the Board of Directors and Rincon Water customers, thank you for the opportunity to submit these comments regarding the workshop scheduled for April 20, 2016 to discuss potential adjustments to the February 2016 Emergency Regulations. We appreciate that the State Board incorporated previous recommendations from the water community into the Extended Regulations, and made this process as open and inclusive as practical. We appreciate the Board's willingness to make recent adjustments to retail agencies mandated conservation goals based on either climate, growth or development of drought-resilient supplies.

It should be noted that a good majority of water agencies, through their UWMPs and Drought Response Ordinances/Plans, have well established mechanisms that would allow these agencies to move in and out of drought conditions, based on local water supply conditions. Adopting a drought response protocol that allows local and regional agencies to continue to utilize local/regional resources, develop additional drought tolerant sources of supply, and coordinate regional requirements, while still promoting conservation ethics and practices is highly recommended.

In regards to the specific questions in the Notice of Public Workshop, the following responses are provided:

1. What elements of the existing February 2016 Emergency Regulation, if any, should be modified and how so?

It is recommended that the conservation mandates be removed or deleted and allow the retail agencies, based on local and regional supply conditions, determine appropriate levels of conservation. Water agencies can set specific targets for their customers, and similar to what is happening now, work with the customer to achieve locally established conservation goals. Rincon Water supports maintaining Section 864 "End User Requirements in the Promotion of Water Conservation".

2. How should the State Water Board account for regional differences in precipitation and lingering drought impacts, and what would be the methods of doing so?

Recommend the State Water Board to adjust urban water supplier mandates based on their local supply conditions and whether they are experiencing any shortages and/or have adequate storage supplies available (whether ground water, surface water, desalination, recycled offsets, or water transfers, to name a few). Majority of retail agencies receive supplies from a wholesale

provider, and if the wholesale provider can verify adequate water supply is available from various sources, then those agencies should receive a **no mandate** or a reduced conservation mandate. The State Water Board should focus its efforts on those water suppliers facing the most severe shortage or emergency conditions that cannot be met by reliable sources. Agencies who have the foresight to diversify their portfolio continue to be penalized with mandated goals, while having adequate sources of supply. This does not mean conservation will still not be utilized or locally enforced, but done through an already established process of Drought Response Plans and specific local conditions retail agencies are best positioned to manage.

3. To what extent should the State Water Board consider the reliability of urban water supplier supply portfolios in this emergency regulation?

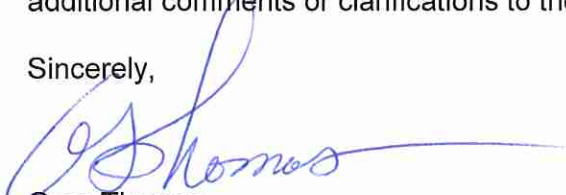
That should be the majority of the State Water Board's basis in determining maintaining emergency regulations. Emergency regulations should be treated similar to other state emergencies, such as fire or earthquake, wherein the affected area receives the focus of attention. For example, Sacramento doesn't receive disaster aid when fires burn heavy in San Diego area, similar to 2014 Cocos Fire. As mentioned above, the specific region and their water supply portfolio drives the conditions and regional/local agencies are best suited, through UWMPs and other planning efforts, to manage their supplies for both long and short term.

Rincon Water has achieved 29% cumulative conservation for a 24% mandated goal from June 2015 to March 2016. This has forced the District to cancel/defer CIP Projects and enact drought rates to cover budget shortfalls due to reduced sales. This has a long term effect on the District and customers, especially considering our wholesale suppliers have allocated 99% of our normal demand. Customers have met the challenge to conserve, but continue to question why they are paying more while conserving, and knowing they have available long term supplies due to early investments in alternate supplies.

The current emergency regulation's focus on achieving the state's water reduction standards solely through conservation does not allow regional or local water agencies to realize the benefits of their investments in water supply reliability – investments in self-reliance that are consistent with Governor Brown's Water Action Plan. This approach threatens to discourage ratepayers from supporting future water supply investments, stunting California's ability to meet the needs of its growing population amid an increasingly changing and challenging climate. The continued imposition of demand reduction targets as the state's primary drought response also places California at a competitive disadvantage in terms of attracting new business and encouraging business expansion. These businesses and industries need to be convinced that the state is doing everything in its power to develop new and drought-resilient water supplies to serve their businesses. In fact, in our service area we have one of California's largest breweries and several other companies reliant on water as a mainstay of their business. The current regulations complicate maintaining a healthy economy and supporting business while balancing the mandated reductions on the backs of residential customers.

Thank you for the opportunity to provide these comments for the Urban Water Conservation Workshop. Please feel free to contact me at gthomas@rinconwater.org or 760-745-5522 for any additional comments or clarifications to these comments.

Sincerely,



Greg Thomas
General Manager