



CALIFORNIA WATER SERVICE

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(4/20/16) Public Workshop
Urban Water Conservation
Deadline: 4/14/16 by 12 noon



April 14, 2016

Felicia Marcus, Chair
c/o Ms. Jeanine Townsend, Clerk
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Subject: Comment Letter – Urban Water Conservation Workshop

Dear Chair Marcus and Members of the Board:

California Water Service (Cal Water) appreciates the opportunity to provide comments regarding the potential modification of the current Emergency Regulation for Statewide Urban Water Conservation (Emergency Regulation). We thank the State Water Resources Control Board (State Water Board) and staff for your leadership and for this opportunity to provide comment.

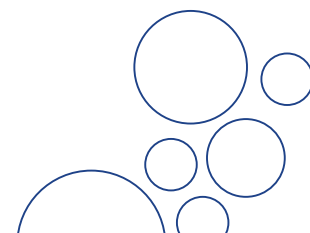
Cal Water serves about 2 million people through 478,000 service connections in California and has provided water service in the state since 1926. We have developed a comprehensive, customer-first approach that has allowed us to work cooperatively with our customers to achieve significant reductions in water use.

Our comments are specific to the Emergency Regulation. Any consideration of long-term, permanent regulations regarding conservation and water use reductions should be considered in a separate proceeding. The issues surrounding the need for emergency reductions and those required as part of a long-term strategy differ in significant ways. Any future discussion of an appropriate long-term strategy should be handled in a deliberative manner that takes into account the long-term needs of the State and the associated impacts of additional regulations in order to achieve an effective balanced approach.

A reasonable position can be made that, while drought conditions have not been fully alleviated, the emergency situation associated with the drought no longer exists, supporting the elimination of mandated reductions.

With that said, our comments assume that mandated reductions currently included in the Emergency Regulation will continue in some form and, therefore, focus on the following elements regarding the potential modification to the current Emergency Regulation:

- The method to adjust reduction targets specific to each urban water supplier
- Increase of existing credits and adjustments
- Elimination of the cap on credits and adjustments
- Inclusion of credit for high fire hazard areas





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Below are our comments to the three questions posed by the Notice of Public Workshop provided by the State Water Board.

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

The Method to Adjust Reduction Targets Specific to Each Urban Water Supplier

While the impact of El Niño and winter weather did not provide complete relief from the drought, there have been improvements in water supply conditions that allow for the relaxation of the Emergency Regulation.

We are supportive of a method of adjusting reduction requirements similar to that proposed by the California Water Association in their comment letter. By implementing this approach, reduction requirements would better reflect current water supply conditions leading to increased confidence in the process and requirements.

In order to maintain statewide drought messaging, a minimum reduction requirement could be continued, if deemed necessary.

Increase of Existing Credits and Adjustment

In addition to the adjusted reduction requirements noted above, Cal Water recommends that the State Water Board increase existing credits and adjustments. For example, the climate adjustment could be increased from 2%, 3%, and 4%, to 4%, 6%, and 8%, respectively.

Elimination of the Cap on Credits and Adjustments

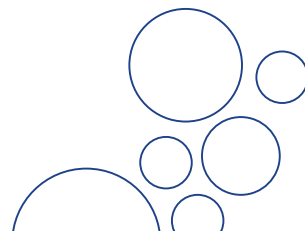
An individual water supplier should not be limited to a portion of its adjustment, simply because it may be impacted by multiple elements such as climate and growth. We urge the State Water Board to remove this cap to provide the full, appropriate adjustments for water suppliers that meet the criteria established for the adopted credits and adjustments.

Inclusion of Credit for High Fire Hazard Areas

Executive Order B-36-15, issued by Governor Brown on November 13, 2015, recognizes the significant risk of wildfire during this drought emergency:

WHEREAS wildfires have damaged critical infrastructure, including power plants, and hundreds of thousands of acres are and continue to be vulnerable to debris and mudslides due to scarring from significant wildfires in recent years; and

WHEREAS the magnitude of the severe drought conditions and wildfires continues to present threats beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and





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WHEREAS under the provisions of section 8558 (b) of the Government Code, I find that conditions of extreme peril to the safety of persons and property continue to exist in California due to water shortage, drought conditions and wildfires; and....

Cal Water recommends that the State Water Board recognize the impact of mandated reductions may have on high fire hazard areas, as designated by Cal Fire. In keeping with the current structure of the Emergency Regulation, we recommend the inclusion of a credit for water suppliers that have the appropriate fire hazard designation from Cal Fire.

Cal Water has been working with Cal Fire on education materials for our customers and requests that these fire-prone areas be recognized with a credit. This credit is consistent with Executive Order B-36-15 and would provide a balance between water reductions and the critical issue of protecting health and safety.

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

Cal Water recommends that the State Water Board make changes similar to those provided in our response to Question 1 and allow for decisions on additional needed reductions to be made by local water suppliers and wholesalers based on their specific local conditions.

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

Similar to our response to Question 2, Cal Water recommends that, to the greatest extent possible, decisions made with regard to local supply availability should be made by local water suppliers and wholesalers based on their specific local conditions.

Again, Cal Water appreciates the opportunity to provide comments and looks forward to working with the State Water Board and other stakeholders on this and other related issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Dean".

Shannon Dean

Vice President, Corporate Communications and Community Affairs

Cc: Commissioner Catherine J.K. Sandoval, California Public Utilities Commission
Jamie Ormond, Water & Legal Advisor to Commissioner Sandoval
Rami S. Kahlon, CPUC Director, Division of Water & Audits

