



May 22, 2009

20x2020 Agency Team
Department of Water Resources
1416 Ninth Street
P.O. Box 94236
Sacramento, CA 94236-001

Subject: ***Comments on Draft 20x2020 Water Conservation Plan***

Dear 20x2020 Agency Team:

Alameda County Flood Control and Water Conservation District, Zone 7 (Zone 7 Water Agency, or Zone 7) provides flood protection to eastern Alameda County, provides untreated water to various agricultural interests and is the wholesale urban water supplier to businesses and approximately 200,000 residents in Livermore, Pleasanton, Dublin and parts of San Ramon. Zone 7 also provides flood protection to the people of Eastern Alameda County and distributes State Project water directly to agricultural customers (primarily viticulture which is a \$200 million per year local business). Approximately 80 percent of Zone 7's supply comes from the State Water Project and is conveyed through the Delta.

In March, the Association of California Water Agencies (ACWA) adopted water conservation and water use efficiency principles that had been developed by a multi-interest task force made up of urban and agricultural agencies, as well as agencies on groundwater supplies, foothill agencies and other diverse interests within the water community. In April 2009, the Zone 7 Board of Directors declared its support for these principles. These fifteen principles support the governor's goal of a 20 percent per capita water use reduction goal as an aggregate statewide goal through water conservation and water use efficiency, including increased recycled water use, and are attached for reference.

As both an agricultural and urban water agency, Zone 7 is committed to reducing per capita water use as an aggregate regional goal, which would include both its treated and untreated water customers, as well as independent groundwater extractors. In addition, Zone 7 is taking an aggressive approach to achieving these targets and is developing a Master Conservation Plan that identifies annual targets and budgets. Since Zone 7 artificially recharges the local groundwater basin with water imported from the State Water Project, private wells used to irrigate large recreational facilities will also be eligible for water-saving programs.

Zone 7 is also a signatory to the California Urban Water Conservation Council and a member of the California Urban Water Agencies. As a wholesaler, there are many Best Management Practices (BMPs) that are inappropriate and the current conservation programs allow Zone 7 to achieve targets without limiting approach. This is accomplished by focusing on cost-benefit analyses rather than mandated BMPs.

Given Zone 7's experience with conservation issues, there are several specific concerns with the April 30, 2009 Draft 20x2020 Water Conservation Plan (Plan) that should be noted:

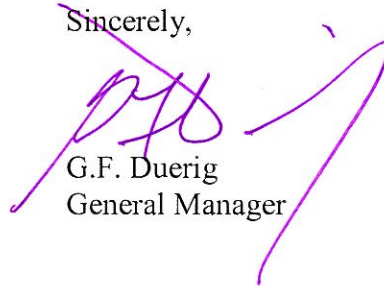
- The Plan is insufficiently narrow and ignores the majority of state water use which is agricultural. Note that Zone 7's viticulture industry invested in conservation and water efficient irrigation techniques during the 1992 drought. Locally, viticulturists have achieved over a 50% water savings and still produce the same quantity of grapes per acre.
- The Agency Team did not include any water suppliers nor did the most recent draft incorporate the previous comments of water suppliers.
- The focus on hydrologic rather than ETo zones is unrealistic and impractical, as previously noted by water suppliers.
- Conservation cannot be allowed to undermine water rights. The preservation of such rights must be central to any Plan.
- DWR already collects data on water use efficiency from large water suppliers under the Urban Water Management Planning Act; additional data collection is not only inappropriate but would also require a draconian effort on both the part of the water supplier and DWR. Not only does it take most agencies close to two years to prepare the updates (submitted every five years), it often takes DWR over two years to review and provide comments back to the submitting agencies.
- Water use efficiency is not always synonymous with reducing water use. For instance, Zone 7 has a Groundwater Management Plan which includes a Salt Management Plan (SMP). The latter was required as part of a regional water recycling permit issued by the San Francisco Bay Regional Water Quality Control Board. One of the salt management practices approved by the board is artificial recharge with imported water. This water use is compatible with integrated regional planning and conjunctive use of State Water Project imports. During wet years, water is artificially recharged and during dry years, the stored water can be used to make up for reduced allocations. To reduce recharge merely for the sake of reducing water demands would be counter-productive and would violate the master water recycling permit conditions.
- Conservation programs are expensive. To mandate programs and then also charge a fee (such as the Public Goods Charge proposed in the Plan) makes no sense. Water agencies should be able to continue to use such funds to invest in local conservation improvements. Since 1992, Zone 7 has spent \$2.34 million on its program, offering rebates for toilet and washer rebates, as well as for public education and outreach programs. The average local investment over the last three years is \$357,000 annually. An expanded program was approved for the current budget, nearly triple previous expenditures. To burden agencies with any kind of fees on top of this would actually slow local investments in conservation.

For these reasons, we suggest that the Agency Team be reformulated to include water suppliers so that a more reasonable conservation master plan for the state can be developed along the lines

of the ACWA principles. Alternatively, if the state agencies prefer to move forward without water supplier input, a preferred approach might be taken such as developing a Model Ordinance for Conservation.

Thank you for your consideration of these issues. We look forward to working with you to develop a plan that is robust in achieving the governor's 20x2020 goal.

Sincerely,

A handwritten signature in purple ink, appearing to read 'G.F. Duerig', is written over the typed name and title.

G.F. Duerig
General Manager

Attachment

cc: Association of California Water Agencies, David Bolland
California Urban Water Association, Elaine Archibald
Robyn Navarra
David Houts

ACWA Policy Principles on

Water Conservation and Water Use Efficiency

- 1. Importance of Water Conservation and Water Use Efficiency.** Water conservation and water use efficiency are central elements of the state's strategy to enhance water supply reliability, restore ecosystems, and respond to climate change and a growing population. While much has been accomplished in the past, significant increases in water conservation and water use efficiency will be required to assure reliable water supplies in the future.
- 2. The 20 x 2020 Goal.** ACWA supports the Governor's statewide goal to reduce per capita water use 20 percent by 2020, which translates into a statewide aggregate of 1.74 million acre-feet of additional conserved water, through the implementation of measures consistent with these principles throughout the state toward accomplishment of this goal. ACWA understands that a proposed 20 percent per capita water use reduction goal is an aggregate statewide goal. ACWA intends to work with the water industry, state agencies, and other stakeholders to create a policy framework and sound technical methodology that will effectively assure that the goal of reducing statewide per capita water use is achieved.
- 3. Statewide Effort.** Accomplishing water conservation and water use efficiency goals will require statewide action by all water users, including residential, commercial, industrial and agricultural water users, local and regional planning agencies, state and federal agencies, chambers of commerce, and business, commercial and industrial professional and trade associations.
- 4. Comprehensive Solutions.** Water conservation and water use efficiency must be part of a comprehensive solution that includes local resource development and infrastructure improvements, including storage and conveyance, as part of a statewide system that promotes economic and environmental sustainability. Reducing water use where appropriate and using water as efficiently as practicable is essential, but cannot in themselves accomplish the coequal objectives of water supply reliability and ecosystem recovery.
- 5. Local Management.** ACWA believes that water conservation and water use efficiency programs will only be successful if local water agencies, which are overseen by locally-elected officials, are responsible for designing and implementing them. Many water agencies in California face the prospect of diminishing supplies and growing demands, and they are accountable to their customers and to regulatory agencies to make locally cost-effective decisions to provide reliable water supply in a manner that protects the environment. Water conservation and water use efficiency programs are indispensable tools in meeting these goals.
- 6. Monitoring, Reporting, and Accountability.** ACWA supports the implementation of programs to assure prudent measurement and monitoring of water use to provide accountability and transparency toward the accomplishment of water conservation and water use efficiency goals. Water Management Plans for both agricultural and urban agencies should be updated regularly and provide quantitative and transparent information on water conservation and water use efficiency programs. ACWA supports the use of volumetric pricing for urban and agricultural water wherever appropriate.

7. **Incentive-Based Programs.** Water conservation and water use efficiency programs that rely on incentives, such as conservation credit programs or pricing mechanisms, or model practices, will be far more effective and permanent than those based on the enforcement of mandates by the state or other entity.
8. **Basin-Wide Approach.** Improvements in water use efficiency should be considered from a basin-wide perspective. Water use efficiency actions should focus on reducing irrecoverable water losses while reasonably supporting beneficial uses in the basin. Water use efficiency actions that reduce recoverable losses should address and mitigate any redirected impacts within the basin. Water use efficiency measures may have both direct and indirect benefits, both in and out of the basin. Actions that reduce applied water use but do not result in net water supply benefits to the water basin may be justified if they can be shown to advance other local policy objectives, including stream flow, water quality, ecosystem restoration, energy, or flood control.
9. **Protect Water Rights.** Implementation of water conservation and water use efficiency programs must be consistent with existing state law in that the act of conservation cannot be allowed to undermine the water rights of the entities implementing the water conservation or water use efficiency program, or interfere with existing water conservation or water use efficiency projects. State policy should affirm that undertaking aggressive water conservation and water use efficiency will preserve, not diminish, water rights. The intent of this principle is to ensure that water agencies and water users in the basin implementing water conservation and water use efficiency actions benefit from those actions and are not harmed by measures that may provide benefits outside the basin.
10. **One Size Does Not Fit All.** Water conservation and water use efficiency programs must have the flexibility to adjust to widely varying local circumstances. One size does not fit all and a policy based on this premise will fail. ACWA opposes imposition of uniform statewide water use standards or water use reduction targets. Effective water conservation and water use efficiency programs must be responsive to local circumstances, including changing water supply sources, water uses and demands, and water reliability challenges.
11. **Urban Water Conservation and Water Use Efficiency.** In urban areas, ACWA advocates the implementation of residential and commercial retrofit programs, innovative pricing strategies, water efficient landscaping, including implementation of urban Best Management Practices (BMPs) specified by the California Urban Water Conservation Council's (CUWCC) Memorandum of Understanding (MOU). ACWA supports continued improvements to the BMPs as a tool for enhancing water conservation and water use efficiency. Where appropriate, ACWA advocates additional measures consistent with these principles to advance local water supply reliability goals and to help achieve the statewide 20x2020 goal.
12. **Agricultural Water Use Efficiency.** In agricultural areas, ACWA advocates incentive-based programs to implement the Agricultural Water Management Council's (AWMC) Efficient Water Management Practices (EWMP's). ACWA supports continued improvements to the EWMPs as a tool for enhancing agricultural water use efficiency. Where appropriate, ACWA also advocates additional measures (including exploration of innovative water pricing mechanisms) consistent with these principles that will result in reduced system losses when a net savings to the system results. The overriding goal is to achieve more-efficient water management than currently

exists to meet local water supply reliability goals and assist in statewide water management.

13. **Local Water Resource Development.** Increasing water reuse (recycling), cleaning-up polluted or otherwise unusable groundwater, and desalination and development of stormwater recharge and water banking facilities can be critical components of a comprehensive water use efficiency program by increasing local water supplies and reliability. Water that is locally-developed through recycling, desalination or other reuse from water sources should be credited toward local water use reduction goals.
14. **State and Federal Support.** The state and federal governments should provide technical assistance where appropriate, financial assistance through bond funds, appropriations, and other sources to encourage water conservation and water use efficiency practices. ACWA supports removing regulatory and other constraints that unnecessarily impede local resource development and promote policies to encourage such development.
15. **Public Outreach and Education.** Successful water conservation and water use efficiency programs require extensive public outreach and education. Reducing usage will require significant changes in water use behavior, which must be marketed by outstanding public outreach and education programs. ACWA and its member agencies remain committed to these programs and will aggressively promote water conservation and water use efficiency consistent with these principles.