



May 21, 2009

By Electronic Transmission to: 2020comments@waterboards.ca.gov

20 X 2020 Agency Team
c/o California Department of Water Resources
P O Box 942836
Sacramento, CA 94236-0001

Re: Comments on 20 X 2020 Water Conservation Statewide Implementation Plan (Draft)

Placer County Water Agency ("PCWA") appreciates the opportunity to provide comments on the Draft Water Conservation Statewide Implementation Plan ("Draft Plan"). PCWA has long been committed to cost-effective water efficiency measures. Its retail water customers have been fully metered since 1968, and it is a member of the California Urban Water Conservation Council for many years. PCWA is fully compliant with the even more vigorous water conservation measures set forth in the Sacramento Water Forum Agreement. However, PCWA cannot support the Draft Plan as currently written.

PCWA encourages the Governor's 20 X 2020 Agency Team (Team) to consider the Association of California Water Agencies' (ACWA) "Water Conservation and Water Use Efficiency Policy Principles" and the Sacramento Regional Water Authority's (RWA) "Policy Principles on Water Conservation and Water Efficiency" in developing a final plan to reduce water demand around the state.

The Team has proposed nine recommended actions. PCWA has significant concern with several of the recommended actions as described below:

1.a Establish targets and goals in statute.

The lack of data and analysis has resulted in flawed baseline and targets, and needs to be reconsidered. The Draft Plan focuses on reduction in gallons per capita per day (GPCD) by hydrologic region as the way to achieve the 20% reduction goal. This approach results in a requirement that some regions reduce water use by 31%. Further, inclusion of Commercial, Institutional and Industrial water demand in the GPCD calculations creates an inaccurate description of water use; the proportion of water deliveries for these categories and for residential use differ throughout the State.

PCWA questions the use of a baseline and conservation targets defined merely by hydrologic region and derived from an "average" water use that is heavily weighted by the influence of the populous, high density coastal regions. That approach is too broad, does not fully address significant regional differences including return flows and net consumption, and results in wildly disproportionate burdens across hydrologic regions. Even the Draft Plan acknowledges that the hydrologic region approach accounts for only some of the regional variation. PCWA urges the Team to reconsider the baseline and

water use targets after considering all relevant factors in water consumption necessary to fairly and equitably address local differences in water use. If the final plan uses a GPCD target calculation, PCWA urges the Team to calculate targets using only residential uses in order to maintain fairness across hydrologic regions.

PCWA advocates a process that achieves conservation goals through reasonable use by every urban customer, with flexibility based on hydrologic region, ET zone, population density per acre, recoverable and irrecoverable flows, BMP compliance, and embedded energy costs. The Draft Plan focuses instead on per capita numbers alone and represents a “top-down” approach that ignores the significant efforts of local and regional water agencies to develop and implement local and regional integrated water management plans. Such plans incorporate cost-efficient water efficiency measures that make sense under the varying local conditions throughout the state. The Best Management Practices approach of the California Urban Water Conservation Council is a better model for achieving conservation savings than is a flat percentage reduction across widely varying hydrologic regions.

- 1.c Mandate uniform data collection and establish a statewide database. The Team anticipates that DWR will play the prominent role in collecting data and analyzing progress toward achieving the goal. This will require yet another reporting database, which will likely be duplicative and costly to the tax payers of the state.

Many agencies such as PCWA are members of the California Urban Water Conservation Council (CUWCC), and as such, report bi-annually on water efficiency practices relevant to the BMP's. The Team should consider the CUWCC as the data repository, which could provide bi-annual reports to DWR.

2.a Support the implementation and enforcement of landscape design and irrigation programs and the development of new landscape programs. This would be difficult to enforce and costly to taxpayers. While the California Constitution requires reasonable use of water, the state's courts have recognized that this is a standard that varies with the circumstances of each situation. The Team proposes to limit irrigation to two days a week or less in every hydrologic region in an attempt to transform high-water-using landscape to new landscape designs. The Draft Plan does not include any analysis showing that such severe limitations on irrigation would still provide sufficient water to meet the evapotranspiration needs of landscape plants. Such a mandate, particularly in regions that are not water-limited, such as PCWA's service area, goes beyond water efficiency and conservation and constitutes an unwarranted governmental intrusion into personal life-style choice.

PCWA believes that a better way to affect landscape design change is to encourage agencies to establish effective ascending water rate structures, as PCWA has done.

5.c Establish a public goods charge for water. The Team has proposed a charge for water, or “water tax” to fund the state's water management activities. This proposal is unacceptable to PCWA and most other water agencies throughout the state.

Significant Concepts Not Addressed - Two important concepts are not included in the draft 20 x 2020 Plan:

1. What happens to the saved water? No analysis has been done to show that water saved in a given region will benefit the environment or other water users in the region. If uneconomic conservation measures are mandated by the state in order to create a water supply for other regions or for development within a region, the beneficiaries of the created conservation supply should be required to pay the cost of the conservation.

PCWA developed water rights and water supply self-reliance for the benefit of its residents and future generations of Placer County and will fight vigorously to retain water developed by its forefathers. California Water Code 1011 states that conservation benefit first accrues to the conserving water user. The Plan must protect the water rights of the entities implementing conservation programs and should not require "conservation" measures that are not cost-effective for the conserving agency. The Draft Plan should justify conservation measures by clearly identifying the need for and proposed use of the "saved water."

2. Cost Effectiveness of Water Conservation

The Plan is silent on cost-effectiveness of the water conservation measures proposed. In some regions of the state, existing water supplies are insufficient to meet growing demand. Where this is the case, the "marginal cost" of water is an appropriate way to determine the cost-effectiveness of water conservation measures that could be used to stretch existing supplies. However, in regions, such as PCWA's service area, where water supply is adequate to meet foreseeable identified future demand, marginal cost of unneeded additional supplies is inappropriate as a justification for costly additional water conservation measures. One size does not fit all circumstances.

The Team is urged not to finalize the 20 X 2020 Plan pending additional data, further analysis and consideration of other alternatives. Finalizing the plan at this point would be irresponsible and commit the State and Local agencies, and ultimately all California taxpayers in the state, to hundreds of millions of dollars over the next 11 years.

Thank you for the consideration.

Sincerely,

PLACER COUNTY WATER AGENCY



Graham Allen
Chairman, Board of Directors

Attachment: Water Conservation and Water Use Efficiency Policy Principles; ACWA Policy Principles on Water Conservation and Water Use Efficiency; RWA

- c: Board of Directors, Placer County Water Agency
Dave Breninger, General Manager, Placer County Water Agency
Dave Bolland, Association of California Water Agencies
John Woodling, Executive Director, Sacramento Regional Water Authority

Association of California Water Agencies

WATER CONSERVATION AND WATER USE EFFICIENCY POLICY PRINCIPLES

While California has made great strides in water conservation and efficiency in recent years, the collective impacts of drought, climate change, increased population demands, court ordered supply reductions and potential natural disasters make it clear that all water users will have to do much more in coming years.

The Association of California Water Agencies is adopting these Policy Principles to help frame the key issues that must be addressed and institutionalized to realize the significant forward progress that Californians must make to address the challenges before us.

The terms “water conservation” and “water use efficiency” are often used interchangeably, but are considered by some to have different meanings. “Water use efficiency” as used here means using water more efficiently to reduce water demand for a given set of beneficial uses. The term “water conservation” is used to mean any reduction in applied water use.

These Policy Principles are interdependent and each is an indispensable part of a comprehensive water use efficiency policy. These Policy Principles should be understood in reference to and in the context of the ACWA Blueprint and other applicable ACWA Policy Principles.

- 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.

**Adopted by the ACWA Board of Directors
March 27, 2009**

REGIONAL WATER AUTHORITY

POLICY PRINCIPLES ON WATER CONSERVATION AND WATER EFFICIENCY

All water users in California are mandated by the Constitution to put water to reasonable and beneficial use. Water providers in the Sacramento region recognize the need for all urban water users to use water wisely and efficiently, as well as the need for some regions and water suppliers to conserve water more aggressively to improve their water supply reliability and prepare for potential shortages. The Regional Water Authority, which represents 22 municipal and industrial water suppliers and affiliated agencies in the Sacramento region that serve more than a million people, urges that the following principles be incorporated into California's water conservation and water use efficiency policies and legislation.

Promote Regional Self-Sufficiency

- Water conservation and water use efficiency programs are just a subset of water management tools supporting self-sufficiency. The Sacramento region has implemented a number of water management strategies to become a prime example of the concept of regional self-sufficiency that is promoted in state water policy.
- The need for improvement in water supply reliability for a given water supplier or region must be a primary consideration in determining an appropriate level of water use efficiency improvement.
- Assurances in California law (e.g., Water Code section 1011) that conserved water will benefit the conserving water rights holder must be fully recognized. State policy should re-affirm that water use efficiency and water conservation actions will preserve, rather than diminish water rights.

Local and Regional Implementation

- Water efficiency and conservation programs will be most effective when planned and implemented at local and regional levels as a part of a comprehensive, integrated water management strategy (i.e., a "bottom-up" rather than "top-down" approach). The role of water conservation in achieving local and regional water supply reliability cannot be evaluated independently of other management actions.
- RWA supports the Governor's call for a reduction in per capita urban water use by 2020 as a needed goal to promote action. However, a specific percentage reduction for any agency or region should be identified at the local or regional level, based on local or regional needs and conditions.

One Size Does Not Fit All

- Any approach that seeks to identify specific water use targets must reflect the unique climate, land use, and quality of life of a given area, and must reflect the economic importance of commercial, institutional, and industrial uses of water. Any approach that is founded on statewide average water use lacks this awareness of regional differences.
- Any portion of urban water use that returns to the hydrologic region from which it originated should be reflected as a credit in meeting any quantitative water use requirements, thereby recognizing the difference between local and regional uses of water and those that irretrievably export water from a region. The "net" water use from a region should be the basis for comparison of water use in different parts of the state.

- The significant investments of some water suppliers and regions in measures to improve water supply reliability, including recycled water, conjunctive use of surface water and groundwater, water conservation, use of remediated groundwater, and local storage must be taken into account when considering future water conservation requirements.
- Dependence on water imported from another hydrologic region requires, in some cases, greatly increased energy use and potential greenhouse gas emissions, as well as higher economic costs, and may result in greater environmental impacts and increased water supply uncertainty.

Costs and Benefits Must Be Proportionate

- More efficient water use by some water suppliers and their customers will result in benefits to other water users or the environment, in addition to the local benefit. The beneficiaries of such additional water conservation should share proportionately in the costs. State requirements should not result in the local costs of water conservation measures exceeding the local benefits, thereby redirecting economic impacts.
- Funding incentives from the state and federal government have successfully accelerated the implementation of water efficiency measures throughout the state, and this should continue to be a key tool the state uses to encourage additional reductions in water use.
- Program administration and reporting should be simple for both state agencies and urban water suppliers to manage.

Background

The issues and needs related to water use efficiency and conservation in California vary widely across the state. For example, many water users in California live in regions with limited local supplies, where water must be imported from great distances, with correspondingly high energy, economic, and environmental costs. Uncertainty of these imported supplies due to environmental constraints has resulted in reduced water supply reliability in recent years. Conversely, some parts of northern California, such as the Sacramento region, meet their needs entirely through local supplies and have expended many millions of dollars to develop and maintain water supply self-sufficiency. Much of the water used in the Sacramento region returns to local streams and rivers and benefits the environment or other water uses downstream.

The Sacramento region's Water Forum Agreement, signed in 2000, was developed with the co-equal objectives of providing reliable water supplies to the year 2030 and preserving and protecting the lower American River ecosystem. Through the Water Forum, the Sacramento region has addressed water supply reliability (including water conservation and water use efficiency) and ecosystem protection in a comprehensive and collaborative manner. Water Conservation is one of the seven elements of the Agreement. Under the Water Forum Agreement's conservation element, signatories in the Sacramento Region are implementing local and regional programs for all of the 14 CUWCC Best Management Practices.

The Regional Water Authority represents 22 water purveyor and affiliated agency members in Sacramento, Placer, El Dorado, and Yolo Counties.