May 22, 2009

20 X 2020 Agency Team
Department of Water Resources
1416 Ninth Avenue
P.O. Box 942836
Sacramento, CA 94236-001

Subject:

Comment Letter on "Draft" 20 X 2020 Water Conservation Plan

Dear 20 X 2020 Agency Team,

Inland Empire Utilities Agency (IEUA) appreciates the opportunity to comment on the draft"20 X 2020 Water Conservation Plan ("draft" plan). IEUA supports the State's goal of achieving a 20 percent reduction in per capita water use by 2020, statewide. Our agency has reviewed the "draft" Plan and offers the following comments:

- 1. Plan Methodology-while the "draft" plan contains many good elements and recommendations, it does not provide an appropriate methodology for setting performance targets to achieve the gallons per capita day (GPCD) reduction goals. Nor does the plan offer provisions or tools for establishing targets on a sub-regional or local level which can be implemented by retail agencies. Instead, the "draft" plan offers a "one-size fits all" approach which is not equitable as regional urban water use varies substantially from coastal to inland areas (taking into account, climate impacts, land use, lot size, and density). The plan appears to be highly prescriptive with a top down rather than a bottom up approach which is not consistent with the California State Water Plan.
- 2. <u>Baseline Year-DWR</u> selects one year (2005) to establish the baseline for the calculation of the 20% reduction by 2020. A more appropriate approach would be to select a range of years from which an average can be taken given the variability of weather and rainfall conditions throughout the State. In addition this approach would provide some credit for past conservation and recycled water use for those agencies that have actively implemented these programs prior to 2005.

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- 3. Recycled Water Credit-while the "draft" plan allows for recycled water credits post the 2005 baseline year for irrigation and industrial uses, it does not allow a credit in the baseline nor does it provide a credit for indirect potable reuse. Credit for early investments in recycled water should receive a credit in the baseline. Further, the plan should recognize and provide a full credit for any non-potable water supply that replaces a potable supply.
- 4. <u>Irrigation Restrictions</u>-the "draft" plan recommends limiting irrigation for most landscapes to two days per week to encourage climate-appropriate landscapes. This is a highly restrictive and presumptuous approach which is not appropriate for many landscaping conditions. Studies have indicated that when limiting the frequency of irrigation to specified days, the public has a tendency to over irrigate on that particular day in order to compensate for the shortage. In addition, in many cases, only allowing a two day a week irrigation schedule, especially during summer months would deplete the landscaping of the required amount of water needed to sustain it.
- 5. Reporting Requirements-existing law requires an urban water supplier prepare and submit an urban water management plan every five years, including all activity for conservation best management practices. In addition, those agencies who are members of the California Urban Water Conservation Council must also report on conservation best management practice activity biennially. The "draft" plan calls for the development of a completely separate reporting system, design of an expensive database, and reporting on an annual basis which is not appropriate. For many agencies with limited staffing, these additional burdens would be very cumbersome, costly, and laborious. The Agency recommends that reporting occur through the existing urban water management planning process with progress reports submitted every five years beginning in 2010.
- 6. Public Goods Fee-the "draft" plan recommends the establishment of a public goods fee similar to one approved by the CPUC for investor owned utilities to provide funding for water management and water use efficiency programs. This should be eliminated from the plan. A more appropriate recommendation is the local development and implementation of budget based tiered rate structures which, when designed correctly, would provide the same, if not more funding for urban water conservation programs as instituting a public goods fee Budget based tiered rate structures would also encourage demand reduction through the rates themselves, and would be easier to implement. In addition, economically, it would not be the best time to implement such a measure with the State budget crisis, recent tax increases, foreclosures and unemployment rates.

- 7. <u>Agricultural Water</u>-the "draft" plan does not address agricultural water use. For the the State to be successful in achieving GPCD reduction goals, efficient water use in the the agricultural sector must be an integral part of the plan.
- 8. <u>Commercial, Institutional, Industrial (CII) Sector</u>-the "draft" plan does not provide recommended strategies for addressing water efficient standards in the various CII sectors. A CII taskforce should be formed in partnership with the California Urban Water Conservation Council that will convene experts within those industries to establish water efficiency standards and develop cost-effective Best Management Practices that have verifiable water savings.
- 9. AB 1420 Compliance—the "draft" plan appears to recommend continued compliance with the AB 1420 requirements in addition to compliance with the 20 X 2020 methodology. First, the AB 1420 requirements identified in the 20 x 2020 draft plan are outdated. Further, there should only be one compliance requirement either AB 1420 (DMMs) or the 20 X 2020 compliance approach. The Agency anticipates that legislation will be enacted addressing the 20 X 2020 implementation and so recommends that this legislation include amendments to AB 1420 and that will make eligibility for water management grants or loans dependent on 20 X 2020 compliance, only.
- 10. <u>Best Management Practices-AG/CII Sectors</u>-Under additional measures the "draft" plan quantifies savings from mandatory BMP implementation without consideration of cost-effectiveness. The Agency recommends that BMPs for ag and CII sectors should only be implemented if they are cost effective and technically feasible.

IEUA appreciates the work that DWR has put into preparing the 20 X 2020 "draft" plan. However, our Agency does not concur with staff's recommended methodology for setting the GPCD reduction goals and finds many of the other "draft" plan recommendations problematic. We urge that DWR review the GPCD reduction methodology that has been proposed by the California Urban Water Conservation Council as well as the GPCD reduction methodogy proposed in the AB 49 (Feuer) legislation and use this as the basis for the State's 20 X 2020 plan.

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Thank you for the opportunity to comment and please feel free to contact me if you should have any further questions.

Sincerely,

Martha Davis

Executive Manager for Policy Development

Cc: Richard Atwater, CEO/GM

Marv Shaw, Manager of Planning & Water Resources

Lisa Morgan-Perales, Water Resources Analyst