April 14, 2016

Sent via email: commentletters@waterboards.ca.gov

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

Subject: **Comment Letter – Urban Water Conservation Workshop, Supply-Demand Based Emergency Drought Regulation Compliance Framework**

Honorable Board Members:

We appreciate the opportunity to provide input to the State Water Resources Control Board ("State Water Board") on the potential modification of the current Emergency Regulation for Statewide Urban Water Conservation. We understand the importance of preserving water supplies, and are committed to helping the state manage water resources sustainably. We have attached a proposal for a Supply-Demand Based Emergency Drought Regulation Compliance Framework that can be used to address the three questions posed in the Notice of Public Workshop for Wednesday, April 20, 2016.

1) <u>What elements of the existing February 2016 Emergency Regulation, if any, should be modified and how so?</u>

The Supply-Demand Based Emergency Drought Regulation Compliance Framework proposes that three basic requirements would be included in the current drought Emergency Regulation, as follows:

1. Imposition of mandatory water waste restrictions and end user requirements such as those included in the current Emergency Regulations that apply to all Californians;

2. Submittal by the urban water supplier of monthly reports to the State Water Resources Control Board on total potable water production, residential gallons per capita per day water use, current stage of the supplier's Water Shortage Contingency Plan, and agency mechanisms to implement water waste restrictions; and
3. Requirement that an urban water supplier demonstrate through the Water Shortage Contingency Plan adopted by its governing body the ability to implement mandatory use reductions if necessary.

The target demand reductions should also be modified for the remaining period of the current drought Emergency Regulation based upon a supply deficiency identified by urban water suppliers. Urban water suppliers will submit:

1. A certification of supplies and demand to determine the targeted demand reduction ("Conservation Standard"), based upon the identified supply deficiency.

2. A supplemental analysis demonstrating that the urban water supplier can meet projected demand through supply management, new supply augmentation and/or Water Shortage Contingency Plan conservation actions for an additional two years of drought.

2) <u>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?</u>

The proposed Supply-Demand Based Emergency Drought Regulation Compliance Framework which requires individual suppliers to certify the status of available supplies to meet demands automatically accounts for regional differences in hydrologic conditions. Since it is based on local conditions, it eliminates the need for credits and adjustments relative to local factors that affect water use. It will calibrate the required target demand reductions to the actual severity of shortages in water supplies for each water provider.

To address lingering drought impacts, the proposal includes supplemental analysis demonstrating that the urban water supplier can meet projected demand through supply management, new supply augmentation, and/or Water Shortage Contingency Plan conservation actions for an additional two years of drought. The proposal also requires that an urban water supplier demonstrate through the Water Shortage Contingency Plan adopted by its governing body the ability to implement a mandatory use reduction stage.

3) <u>To what extent should the State Water Board consider the reliability of urban water supplier supply portfolios in this emergency regulation?</u>

Providing a reliable water supply is a basic responsibility and legal mandate for water suppliers. We are proposing that the State Water Board consider the reliability of urban water supplier supply portfolios when determining the conservation standard for

individual agencies. The benefits of this approach include providing a strong incentive for local investments in developing sustainable supplies, water banking and storage, and water use efficiency programs. This approach also eliminates the need for credits and adjustments relative to local factors that influence water use such as climate, growth, and past conservation investments.

We thank you for your consideration of our proposed compliance framework and look forward to working with you to develop a modified Emergency Regulation in 2016.

Sincerely,

James M. Barrett, General Manager
Cochella Valley Water Distirct

Douglas D. Headrick, General Manager
San Bernardino Valley Municipal Water District

Paul D. Jones, III, General Manager
Eastern Municipal Water District

Dan Ferons, General Manager
Santa Margarita Water District

John Vega, General Manager
Elsinore Valley Municipal Water District

John V. Rossi, General Manager
Western Municipal Water District

Paul A. Cook, General Manager
Irvine Ranch Water District

Dana Friehauf, Water Resources Manager
San Diego County Water Authority

David W. Pedersen, General Manager
Las Virgenes Municipal Water District

Attachment 1: Supply-Demand Based Emergency Drought Regulation Compliance Framework

April 2016

Basic Requirements

Three basic requirements would be included in a modified drought Emergency Regulation, as follows:

1. Imposition of the mandatory water waste restrictions and end user requirements included in the current Emergency Regulations that apply to all Californians;
2. Submittal by the urban water supplier[1] of monthly reports to the State Water Resources Control Board on total potable water production, residential gallons per capita per day water use, current stage of the supplier's Water Shortage Contingency Plan, and agency mechanisms to implement water waste restrictions; and
3. Requirement that an urban water supplier demonstrate through the Water Shortage Contingency Plan adopted by its governing body the ability to implement mandatory use reduction.

Supply/Demand Management

Target demand reductions would be revised for the remaining period of the current drought Emergency Regulation based upon a supply deficiencies identified by urban water suppliers. Urban water suppliers will submit:

1. A certification of supplies and demand to determine the targeted demand reduction ("Conservation Standard"), based upon the identified supply deficiency. Certifications will be prepared by the urban water supplier must be signed by a representative authorized to take such actions on behalf of the governing body of the supplier.

Supply Deficiency	Target Demand Reduction
0-5%	0-5%
5-10%	5-10%
10-15%	10-15%
15-20%	15-20%
20% or more	20% or more

2. A supplemental analysis demonstrating that the urban water supplier can meet projected demand through supply management, new supply augmentation and/or Water Shortage Contingency Plan conservation actions for an additional two years of drought.

Benefits of Proposed Approach

- Ensures a baseline level of conservation through water the imposition of waste restrictions;
- Calibrates the targeted demand reduction to the actual severity of shortages in water supplies for each water provider;
- Provides a strong incentive for local investments in sustainable supplies, water banking and storage and water use efficiency programs;
- Eliminates the need for credits and adjustments relative to local factors that influence water use such as climate, growth, and past conservation investments;
- Requires planning for multi-year supply and demand scenarios and potentially extended drought conditions; and
- Requires agencies to have effective Water Shortage Contingency Plans and extraordinary conservation measures in place to ensure demands do not exceed available supplies.

Example of Drought Year Supply Certification plus Two Year Sustainability Evaluation

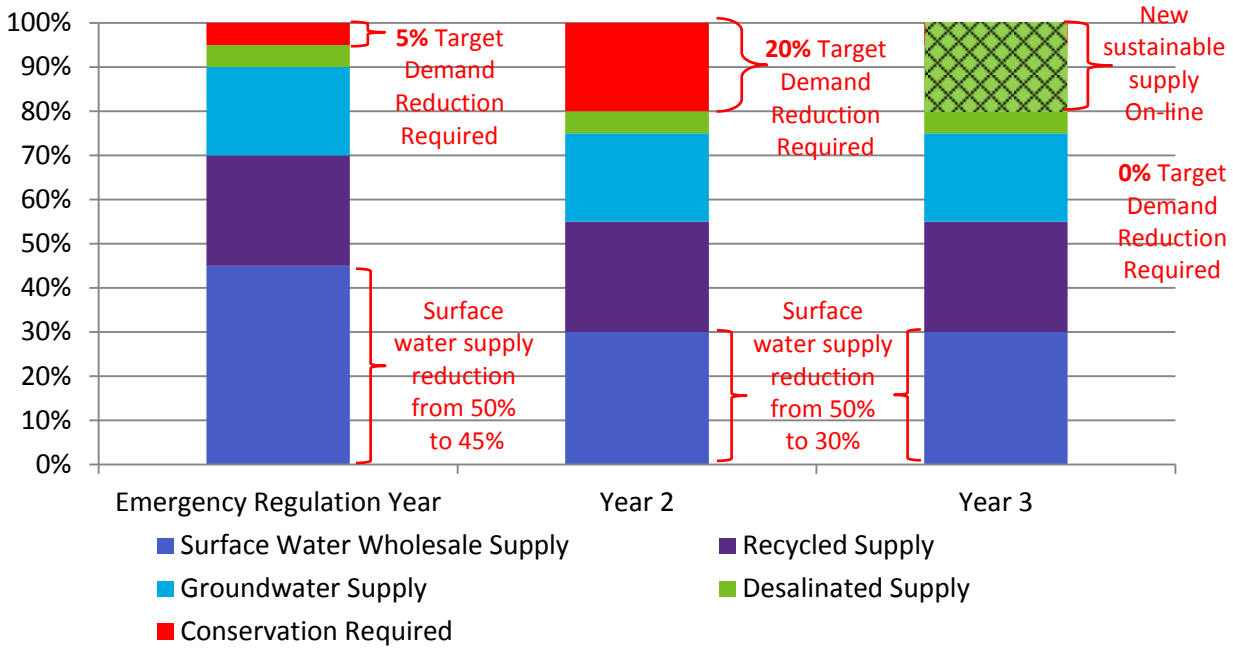
[1] As defined by the current Emergency Regulation

An urban water supplier shall certify supply and demand through the end of the year covered by Emergency Regulation and shall evaluate the sustainability of supplies for two additional years under a continuous drought scenario.

In this hypothetical agency example:

- Supplies are comprised of 50% surface water provided by a wholesale agency, 5% desalinated water, 25% recycled water and 20% groundwater;
- Hydrologic conditions are dry in the initial year with surface water supplies reduced from 50% to 45% of available supply;
- In year two and year three, the severely dry hydrologic conditions cause surface water deliveries to be impacted further, reducing to 30% of available supply;
- In year three, a new desalination facility is brought on-line that provides an increase in 20% of the agency's available supply; and
- Demand is based on a three year average.

Example Water Supply Conditions



Emergency Regulation annual reporting requirements would include consist of the following:

Water Supply Source	Emergency Regulation Period Supply Availability	Sustainability Analysis Year 2 Projection	Sustainability Analysis Year 3 Projection
Surface	45,000 AF (10% reduction)	Up to a 40% reduction	Up to a 40% reduction
Recycled	25,000 AF	No reduction	No reduction
Desalinated	5,000 AF	No reduction	New production of 20,000 AF (20% supply increase)
Groundwater	20,000 AF	No reduction - management plan in place	No reduction - management plan in place
Total	95,000 AF	80,000 AF	100,000 AF
Base Demand	100,000 AF	100,000 AF	100,000 AF
Required Action	Implementation of 5% Mandatory Demand Reduction	Implement Plan for 20% Mandatory Demand Reduction	No Demand Reduction Required