



Tahoe City Public Utility District

April 13, 2015

Felicia Marcus, Chair
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Dear Chair Marcus:

The Tahoe City Public Utility District (TCPUD) has reviewed the most current emergency drought regulations proposed by the State Water Board. Before expressing our comments and concerns, we want the State Water Resources Control Board and staff to know that we have been aggressively implementing many projects for water conservation over the last 8 years. TCPUD has invested more than \$6 million in capital projects, completing residential water meter installations 17 years ahead of State mandates. As a small water utility with an operating budget of just over \$4 million annually, this has been a very significant but very worthwhile expense. We understand the need for additional regulations. We offer the following comments:

SWRCB should provide alternative methods for calculating GPCD for areas with 50% or more vacation homes. The current GPCD calculation methodology is not equitable and is not representative of true water use patterns in vacation and second home resort communities. Therefore, to base placement of water suppliers with large numbers of vacation homes into reduction target tiers using this data seems inappropriate. We suggest that unless you provide alternative methods for GPCD, systems with more than 50% vacation home ownership should be in Tier 3 – requiring a maximum of 25% reduction in water use.

- The Water Boards Drought website expressly discusses how GPCD data cannot be used to compare water suppliers: ***“It is not appropriate to use Residential Gallons Per Capita Day (R-GPCD) water use data for comparisons across water suppliers, unless all relevant factors are accounted for”.***
- Monthly, TCPUD has expressed its concerns regarding this method of calculation to the State through the reporting tool, and has sent an email directly to the Water Board’s staff regarding this issue, with absolutely no response or recognition of this concern.
- Over 75% of the homes within our water service areas are second homes and/or vacation rentals.
- Calculating population in a resort community is very difficult, as it varies seasonally, monthly, weekly and even daily in some cases. Variations also see higher than normal densities due to the nature of vacations and vacation rentals.
- Due to automatic irrigation systems, second homes use water when there are no occupants present.

- Selecting September as the basis for placement within the tiers only amplifies the inequity of this methodology in relation to GPCD performance in resort communities due to seasonal population increases and automatic irrigation systems on vacation homes.
- Every gallon of water used by a second home, whose occupants do not count towards GPCD population, is unfairly calculated as being used by full time residents.

SWRCB should emphasize installation of water meters and the implementation of aggressive tiered rates as the most effective method of reducing and reporting water use.

- TCPUD fully implemented AB 2572 by 2008, 17 years ahead of the requirement.
- TCPUD fully implemented tiered water rates in 2009 with four increasing tiers, the final two tiers being very aggressive.
- The result is TCPUD gross water production in 2011 and 2014 as compared to 2002 was reduced by approximately **41%**. 2014 and 2011 production numbers were the lowest since 1980 despite serving approximately 40% more connections in 2014 as compared to 1980.

SWRCB should require small water systems and investor owned utilities to comply with the same mandates, standards and reporting requirements applied to Urban Water Suppliers.

- Over 40% of households in our District Sewer Service area are served by smaller water utility companies.
- This is a statewide mandate, however, neighbors served by different water suppliers could face unequal treatment, and efforts for consolidation, a strong desire of the SWRCB and others, are diminished since being part of the public system is seen as more restrictive.
- 40% of households in our Sewer Service area are in these small utilities and are unmetered, with some not even having meters on production facilities.
- The CPUC and Water Boards should jointly require small water systems to be under the same vigorous implementation and reporting standards as Urban Water Suppliers.
- TCPUD has actively sought and consolidated small water systems with the support of the customers. Inequitable treatment counteracts the stated desire of the PUC and the State Water Board to encourage consolidations. Customers of smaller systems will see negative consequences for their neighbors who are in an Urban Water Supplier's system.

SWRCB should recognize that within the Tahoe Basin, there are requirements on new projects to use water to establish and maintain vegetation in order to comply with Lake Tahoe's water quality protection.

SWRCB should recognize that under State and Federal law, the Tahoe Basin cannot use recycled water to reduce pressure on domestic drinking water sources.

SWRCB should use additional caution in publicizing the GPCD data. To be labeled as a high water user in the public eye, based on misinterpreted GPCD data, is disappointing and not representative of our agency. TCPUD is a responsible, conscientious and

responsive agency who has promoted conservation, and programs to reduce water use for many years prior to the current drought. TCPUD has already met and exceeded SBX7-7 requirements. Some highlights of our actions include:

- TCPUD fully implemented AB 2572 by 2008, 17 years ahead of the requirement.
- TCPUD fully implemented water rates in 2009 with four increasing tiers, the final two tiers being very aggressive.
- TCPUD has already met and exceeded SBX7-7 requirements.
- TCPUD gross water production in 2011 and 2014 as compared to 2002 was reduced by approximately 41%. 2014 and 2011 production numbers were the lowest since 1980 despite serving approximately 40% more connections in 2014 as compared to 1980.
- TCPUD has acquired and/or consolidated 6 smaller systems and installed meters, replaced leaking mains, provided improved water quality, and implemented standards that under their previous ownership (investor-owned and mutual ownership) were ignored.
- TCPUD's current Water Conservation Ordinance, adopted in 2009, contains the following year round water conservation standards, which are only now in the current or proposed emergency drought regulations:
 - Tiered water consumption charges
 - All new residential or commercial construction or remodeled areas of the same facilities require high efficiency toilet installations.
 - Use of automatic shutoff nozzles for car washing
 - No run-off onto hard surfaces
 - Comprehensive rebate programs for high efficiency toilets, washing machines, and automatic irrigation sensors for rain, temperature and soil moisture.
- Since 2008, TCPUD promptly notifies customers of potential customer leaks. Our automated meter reading system detects potential customer leaks and a bold and distinct notification is provided to the customer on their monthly statement with guidance on how to respond.
- TCPUD conducts a monthly audit of all residential and commercial meter reads and within 48 hours responds to individual water use data which indicates significant leaks or higher than normal usage.
- TCPUD conducts a comprehensive monthly water audit of its water use compared to production. Annual water loss remains at or below 10% since 2011 and infrastructure leakage index (ILI) numbers, per AWWA guidelines, remain well within recommended ranges.
- TCPUD conducts annual professional leak detection of its distribution system.
- TCPUD conducts mid-month and unscheduled system meter reads during heavy freeze times to detect burst pipes and bleeder usage. In December 2009, this process led to TCPUD staff identifying and shutting off water to 30 homes that had freeze related pipe damage that were leaking water profusely.
- TCPUD offers free water conservation kits to its customers, which include a low flow hose nozzle, two 1.0 GPM faucet aerators, a 1.5 GPM shower head, a 5 minute shower timer, and dye tablets to detect leaky toilets.

- TCPUD offers rebates for low-flow toilets, high efficiency washers, dishwashers, and smart irrigation controls.

We appreciate the opportunity to provide our comments on the proposed regulations. Despite what we feel is a very strong record of conservation, the media and others are using the GPCD as a comparison that undermines the significant effort we and our rate-payers have made in addressing water conservation.

We appreciate your consideration of our comments and suggestions.

Sincerely,



Erik Henrikson
President of the Board



Cindy Gustafson
General Manager



Tony Laliotis
Director of Utilities

RESPONSES TO QUESTIONS FROM SWRCB ON PROPOSED REGULATORY FRAMEWORK

Tahoe City Public Utility District

1. Are there other approaches to achieve a 25% statewide reduction in potable urban water use that would also impose a greater responsibility on water suppliers with higher per capita water use than those that use less?

The first assumption that you are relying on is that GPCD is an accurate measurement for “equitable” measurement. Per capita numbers, based on census data is not fair or equitable for resort communities such as ourselves. It is incumbent on the Water Board staff to truly understand why certain suppliers have higher GPCD than others, before imposing greater responsibility on those suppliers. The Water Board’s website expressly states that: *“It is not appropriate to use Residential Gallons Per Capita Day (R-GPCD) water use data for comparisons across water suppliers, unless all relevant factors are accounted for”*. Have simple relevant factors such as demographics of seasonal and resort communities, been considered as a factor leading to misinterpreted high GPCD? We realize that this is a dire situation and that we must react now, but to establish 35% reduction requirements on over 30% of the urban water suppliers is largely unachievable without draconian measures being put in place by suppliers. We would very much appreciate the Water Board staff taking an active role in working with high GPCD agencies to understand why their GPCD is high, what their GPCD is truly a reflection of and if necessary develop programs and funding mechanisms to help suppliers reach their goals.

We suggest that for areas with more than 50% vacation homes, GPCD is not accurate and that a maximum 25% water reduction should be required (not 35%).

2. How should the regulation differentiate between tiers of high, medium and low per capita water users?

As stated above, it is incumbent on the Water Board to truly understand why certain suppliers have higher GPCD than others, before imposing greater responsibility on those suppliers with higher GPCD. When full service area population is used in Tahoe City, we are not in the highest tier of GPCD. Resort areas with more than 50% vacation homes should be placed in the 25% tier.

3. Should water suppliers disclose their list of actions to achieve the required water reductions?

Yes and the Water Boards should supply a generic list of conservation measures for suppliers to “check a box” as to whether they are implementing a measure or not. As well, supply an area for Suppliers to explain all other measures they are undertaking.

4. Should these actions detail specific plans for potable water use reductions in the commercial, industrial, and institutional (CII) sectors?

Yes they should address all aspects of water use in the State.

5. Should additional information be required in the monthly conservation reports for urban water suppliers to demonstrate progress towards achieving the required water reductions?

Not sure of any since this is truly a quantitative approach and the numerical data used to interpret progress is already required.

6. How and when should compliance with the required water reductions be assessed?

Compliance should be based on gross water production data. Achieving reductions beyond 20% will likely require significant time, effort and expense to the supplier while severely impacting revenue streams. It would seem realistic to give suppliers and homeowners a minimum of 6-12 months to fully reach targets before being evaluated for potential enforcement action based on lack of achieving target reductions.

7. What enforcement response should be considered if water suppliers fail to achieve their required water use reductions?

The first action that the Water Board should take on suppliers who fail to achieve prescribed reductions is to sit down with the suppliers staff and evaluate and audit the suppliers data and response activities. The Water Board and supplier should then draft a corrective plan, if necessary, to seek greater reduction response. If the supplier fails to implement the plan to sufficiently meet the targets, more aggressive enforcement action can then be taken by the Water Boards. We realize that this is a dire situation, however the Water Board needs to take a leadership role in developing programs, understanding differences in water suppliers and creating programs, funding sources and resources to assist agencies.