

Office of the General Manager

April 13, 2015

State Water Resource Control Board 1001 I Street Sacramento, CA 95814

Dear State Water Resource Control Board Members:

Mandatory Conservation Proposed Regulatory Framework

Thank you for the opportunity to comment on your Mandatory Conservation Proposed Regulatory Framework. The Metropolitan Water District of Southern California (Metropolitan) supports the Governor's call for a mandatory 25 percent statewide urban water use reduction and appreciates the State Water Resource Control Board (SWRCB) efforts to solicit local water agency input on how to achieve the water conservation target.

Metropolitan's service area has been a statewide leader in efforts to reduce per capita consumption through the implementation of conservation programs and development of resources within our region. These efforts have resulted in a reduction of approximately 25 percent in potable per capita water use from the 1987-1991 drought up to the beginning of this current severe dry period. Metropolitan and its member agencies continue to focus on greater levels of water use efficiency. In fact, Metropolitan's Board has approved a \$100 million conservation program budget this year to help promote water conserving device rebates, turf removal, and public outreach.

In addition, Metropolitan has established its Local Resource Program to incentivize the development of local supplies within the region. Metropolitan alone has invested almost \$900 million with addition funds from member and local agencies. These investments have produced over 2.7 million acre-feet of recycled water and recovered groundwater since inception of the program. To further accelerate local resource development, Metropolitan recently increased its maximum incentive from \$250 per acre-foot to as much as \$475 per acre-foot, an almost doubling of the incentive.

While supportive of the SWRCB's proposal, Metropolitan has the following comments on the draft regulatory framework.

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Establishing Reduction Tiers: Do Not Rely On A Single Month Of Data

The intent seems to be a comparison of water use from June 2015 through February 2016 against a 2013 baseline. Given that Residential per capita water use (R-GPCD) has been shown to change significantly from month to month, the reduction tiers should not be based on a single month.

As an alternative to using September of 2014 to establish tiers, we recommend using the average water use for the 9-month period of June 2013 through February 2014. This creates a more stable picture of water use for each urban supplier. It is also a base that matches the window of months that suppliers will be asked to reduce use.

<u>Accelerate Statewide Metering Requirements: A Framework Based On Water Use Should</u> Require Accurate Metering Of Water Use

The SWRCB is penalizing agencies that have been metering consumer water use for years. These agencies have excellent data on consumer water use and have provided that information to the SWRCB as part of its tracking efforts. Agencies that do not have complete consumer metering in place have the advantage of using estimates to report water use to the SWRCB. To compare actual metered water use to mere estimates of consumer use is unfair and inequitable. Agencies that are fully metered should not be placed in the same reduction tiers as those that have the advantage of estimating their use in a way that may bias the per capita figures.

As an alternative we recommend the SWRCB reduce the reduction target for agencies that are fully metered as compared to agencies that are not. If an agency achieves full metering by February 28, 2016, then their reduction target could also be reduced. The SWRCB should also require that all water agencies achieve full metering of consumer water use in an expedited fashion.

<u>Continue To Recognize Wastewater Recycling As Efficiency: Provide an Adjustment For</u> <u>Indirect Potable Reuse</u>

The SWRCB and State policy recognizes that recycled water helps to reduce potable per capita water use. This recognition has helped to encourage recycling to a greater degree than ever before. Recycled water provided for irrigation, commercial or industrial use is not included in the calculations. However, the proposed framework needs to be adjusted to allow agencies to properly reflect the efficiency benefits of indirect potable reuse. The current structure would include groundwater production, even if this production is made possible by the replenishment of highly treated recycled water. This approach does not provide appropriate recognition for the efficiency benefits of indirect potable reuse.

As an alternative we recommend the SWRCB allow agencies to subtract the replenishment of treated recycled water from their groundwater production figures. This would appropriately reflect that some portion of the groundwater produced for consumer use is actually highly treated recycled water. Reflecting indirect potable reuse in this way will be consistent with State policy and properly encourage development of indirect potable reuse, where feasible.

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Compliance Assessment: Do Not Track Month-To-Month

The proposed regulatory framework suggests that the SWRCB will assess suppliers' compliance for both monthly and cumulative water usage reductions. Month to month tracking of water use reductions can be problematic. Statewide, most urban suppliers showed large reductions in water use during December 2014 due to above-average rainfall. This was followed by rebounds in water use during January and February 2015 due to below average rainfall and abnormally high temperatures. Conservation efforts continued during this time period, but month to month comparisons can paint a misleading picture.

As an alternative, we recommend that water use reductions should only be assessed on a cumulative basis. The SWRCB should not release analysis and statements that imply month-to-month comparisons have any significance.

Recognize Previous Efficiency Gains: Do Not Penalize California's Efficiency Leaders

The SWRCB has an interest in creating a framework that encourages agencies to pursue conservation and water use efficiency all the time, not just in drought conditions. However, the proposed framework does nothing to acknowledge the work that has been done over decades in some areas of the state. Southern California has invested millions of dollars and consumers have worked hard to reduce water use and maintain an efficient and sustainable water use ethic. These are not recent efforts, rather they have been carried out over decades with real impact. Potable per capita water use in our region has dropped approximately 25 percent from the 1987-1991 drought up to the beginning of this current severe dry period. Yet, the SWRCB now considers a proposal that treats agencies with a history of saving water the same as others that are only now beginning to meter water used by their consumers.

As an alternative, we recommend the SWRCB change its enforcement mechanism to recognize those agencies that have achieved long-term reductions in per-capita use through active programs. Penalties should be reduced for agencies that can demonstrate they are on track to meet their 20 percent by 2020 potable per capita reductions through active conservation and metering programs. These agencies would continue to face reduction targets; however, they would face lower penalties as compared to agencies that are not meeting their 20 percent by 2020 reduction goals.

Again, Metropolitan and its member agencies appreciate the opportunity to give input to the Mandatory Conservation Proposed Regulatory Framework. Metropolitan is ready to assist the SWRCB, if desired, to further develop the alternative proposal. In addition, Metropolitan stands ready to partner with the State on programs that can further encourage conservation and local supply development. To this end, Metropolitan encourages the State to fast-track the release of funds from Proposition 1 to help fund conservation programs and local supply projects as well as expediting the permitting process necessary to bring these projects online. Metropolitan will continue to engage with the SWRCB and provide additional information through the process of finalizing the proposed regulations.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

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If you have any questions or need clarification regarding our comments, please contact Deven Upadhyay at (213) 217-6686 or via email at: dupadhyay@mwdh2o.com.

Very trylly yours.

General Manager

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