EASTERN MUNICIPAL WATER DISTRICT
SINCE 1950

April 22, 2015

Via email to: Jessica.bean@waterboards.ca.gov

State Water Resources Control Board
Attention: Ms. Jessica Bean
1001 I Street, 24th Floor
Sacramento, CA 95814

Subject: **Input on Draft Emergency Regulations to Implement the Governor's Executive Order B-29-15**

Honorable Board Members:

Eastern Municipal Water District (Eastern) appreciates the opportunity to provide input to the State Water Resources Control Board ("State Board") on the Draft Emergency Regulations proposed to achieve a 25 percent statewide reduction in potable urban water use. We appreciate the effort that was made to take into consideration some of the comments and concerns received from the public.

As previously transmitted and attached to this letter, Eastern, along with several other agencies, has provided an equitable, achievable, and enforceable model for achieving the Governor's call for a 25 percent reduction in urban potable water demand. This model takes into account long term efforts to reduce water demand and can be incorporated into the State Board's final emergency regulations.

Eastern has the following additional comments to make concerning the proposed regulations:

1. **The Regulations Regarding Reporting Appear to Be Different than the Cumulative Reporting Described in the Fact Sheet:** The State Board's Fact Sheet sets forth that "Beyond June, the Board will track compliance on a cumulative basis. Cumulative tracking means that conservation savings will be added together from one month to the next and compared to the amount of water used during the same months in 2013." However, the draft regulations (§865) specifies that the comparison will be made "for each month as compared to the amount used in the same month in 2013". Progress towards demand reduction should be tracked on a cumulative basis not comparing monthly data. Monthly water use can vary significantly with weather and other factors and is not an indicator of long term trends. Requiring agencies to reduce demand each month as compared to the same

month in 2013 does not take into account shifts in demand patterns that may occur from one year to the next. Moreover, the State Board's monthly publication of the data in this manner sends a confusing message to the public and skews the actual level of water use efficiency that is being achieved.

2. **The State Board Should Provide an Alternative Compliance Option for Allocation Based Tiered Rate Structures:** As previously communicated, allocation based tiered rates send a strong price signal encouraging customers to efficiently use water. To develop allocation based tiered rates a significant amount of data is collected to set individualized budgets. This data includes persons per household and information about irrigated landscape area that can be used to set efficiency targets. We encourage the SWRCB to use a performance-based efficiency standard, which equates to about a 15 percent reduction, for calculating the targets for agencies with allocation-based rate structures or those that transition to them during the reporting period. We recommend the performance efficiency standard be based on:

    a. ***Residential indoor residential use at 55 gallons per capita per day:*** A state standard was set in SB x7-7 of 55 GPCD for residential use. December of 2014 was a wet month across the state, the residential water use in that month should reflect mostly indoor demand. A review of the R-GPCD data submitted to the State Board shows that the average indoor use across the state is close to 72 GPCD. Meeting a 55 GPCD target is a 24 percent reduction of average indoor use.

    b. ***Outdoor landscape allocation based on drought tolerant plants and drip irrigation or other equivalent irrigation system:*** This represents a more efficient landscape standard than is currently in the State's Model Water Efficient Landscape Ordinance that strongly limits the use of turf (proposed ET Adjustment factor of 0.6). It will apply to residential, commercial, industrial and institutional landscape accounts. It also limits the impact on indoor commercial, industrial, and institutional water use that could adversely impact the economy.

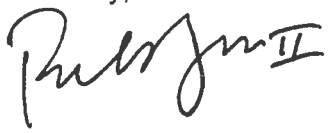
Eastern also continues to recommend that the State Board recognize agencies which fully implement their Water Shortage Contingency Plans at a level consistent with the State Board's reduction goals as making an appropriate compliance effort, and work with those agencies that have acted in good faith on "Corrective Action Plans" in-lieu of assessing administrative orders and levying fines. In this regard, we recommend that the State Board clearly define and establish a process for submitting Corrective Action Plans including when and what should be submitted, and specifying standards-based items such as the implementation of sustainable tiered rate structures and commitments to meet minimum, current, or lower indoor/outdoor standards that would meet the goals outlined in the Executive Order.

We would also continue to encourage the state and Governor to take two other immediate actions. First, to limit its own landscape water use and apply the same, if not greater potable water restrictions and reductions to all state owned or controlled landscaped areas. This would include all state agency facilities, community colleges, campuses of the State University system, and campuses of the University of California. Additionally, it is

recommended that any irrigation with non-potable water at sites owned by CalTrans should be immediately curtailed.

Second, to supplement the Governor's Executive Order, we believe it is absolutely essential to require all agencies in the state to install water meters on potable water service connections no later than December 31, 2015. The fact that some urban areas in the state have been able to avoid such basic water management practices as metered water connections is simply unacceptable. To assist with this, the State Board could immediately deploy low interest loans to ensure timely implementation.

Sincerely,



Paul D. Jones II, P.E.
General Manager

Attachment

c. EMWD Board of Directors
Thomas Howard, Executive Director, State Water Resources Control Board

April 22, 2015

Via email to: Jessica.bean@waterboards.ca.gov

Ms. Jessica Bean
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Subject: **Input on Draft Emergency Regulations to Implement the Governor's Executive Order B-29-15**

Dear Ms. Bean:

We appreciate the opportunity to provide input to the State Water Resources Control Board (SWRCB) on the *Draft Regulations Implementing 25% Conservation Standard*. We support the Governor's leadership in calling for additional reductions in water use and understand the importance of achieving a 25% reduction in portable urban water use at this time. We are committed to helping the state obtain the necessary reductions.

We appreciate the modifications made to the April 18 proposed framework addressing some of the public comments and concerns received by the SWRCB. However, the April 18 proposed draft regulations still continue to apply a method to apportion urban water supplier reductions which results in several inequity and implementation concerns.

Measurement and analysis of reasonable and efficient water use is complex. Evaluation based on average monthly R-GPCD from three of the driest months of the year does not tell the whole story with regards to water use and whether an area's water use is efficient and reasonable. While we understand the attractiveness of a model based on a three-month R-GPCD average, by not taking into account additional factors, the draft regulations results in an inequitable apportionment of water use reductions for many agencies and cities.

Water agencies have taken many steps over multiple years to encourage water use efficiency and the wise use of water including the implementation of innovative conservation measures and recycled water development. Our past efforts have allowed us to achieve dramatic reductions in water usage; they have also resulted in significant demand hardening, which makes achieving substantial new reductions in water savings during the current drought more challenging. Despite this challenge, we are committed to continuing to seek greater water efficiency and conservation within our service areas during this drought and well into the future.

As a group, the undersigned agencies have worked collectively to identify a more robust method for apportioning water supplier reductions. We have developed an apportionment model, which achieves the 25% reduction in an equitable manner while encouraging long-term water conservation. Agencies may individually or collectively be submitting additional comments on the draft regulations, as the comments below pertain only to the apportionment method.

We collectively request that the SWRCB consider using the proposed apportionment method, which is detailed on the attached apportionment model. The proposed method accomplishes the following objectives:

1) ***Meets the Governor's mandate:*** Achieves the required statewide 25% reduction from 2013 potable use.

2) ***Apportions water supplier reductions based on per capita use:*** Complies with the Governor's Executive Order mandating that reductions be allocated relative to per capita water usage. Those areas with higher average per capita usage are expected to achieve greater reductions than those with lower usage.

3) ***Limit Economic Impact of Required Potable Water Use Reductions:*** The Governor and his Executive Order have directed that the State should try to mitigate the impact of mandatory water restrictions on California's economy. California's urban centers comprise the majority of California's economy and the apportionment method should limit negative economic impacts within the urban Commercial, Industrial and Institutional (CII) sector.

4) ***Accounts for demand hardening and climate*:** Allocates the reductions to equitably balance prior conservation and current R-GPCD. Recognizes progress toward achieving 20 x2020 goals while achieving the 25% statewide reduction. This avoids penalizing agencies that invested aggressively and wisely in implementing conservation programs before 2013.

5) ***Encourages long-term conservation*:** Allocation-based rates provide long-term conservation. By integrating a performance efficiency standard for agencies with allocation-based rate structures, the model encourages adoption of these rate structures while requiring agencies that already have these structures to obtain even greater water savings.

6) ***Considers population growth:*** Adjusts for population growth by using average 2014 and 2015 population, production and R-GPCD. This avoids penalizing agencies that have experienced growth since 2013. The statewide target is still based on a reduction from 2013 potable production.

7) ***Sets minimum and maximum conservation requirements:*** Every agency must save at least 10% and no agency is required to cut more than 35%.

Specifically, we ask the SWRCB to use the attached proposed apportionment method that:

1) **Optimizes apportionment of water supplier reductions based on GPCD:** The proposed alternative sets targets based on average GPCD and customizes each agency's required reduction based on a GPCD target that accounts for past conservation savings and current R-GPCD. It incorporates climate, and appropriate indoor and outdoor water use. It does not skew or favor any hydrologic region by using solely a three-month short-term GPCD average.

2) **Uses long-term average GPCD to apportion reductions:** The proposed approach uses more than the July through September 2014 R-GPCD values. Focusing on peak water use months inequitably penalizes agencies in drier and hotter areas of the state. It also does not account for opportunities to improve indoor efficiencies, as it does not capture those inefficiencies which show up only in R-GPCD calculations for cooler months. Due to the high variability in month-over-month water demands across the state, the SWRCB should use a nine-month average of R-GPCD and State submitted GPCD data from 20x2020 reporting to the Department of Water Resources.

3) **Accounts for prior conservation:** Every community is allocated a portion of the 25 percent based on their average total GPCD from June of 2014 through February 2015. This is weighted based on the conservation each agency has obtained beyond their 2020 targets. This approach deals with the complexity inherent in California's water system, and requires those agencies who have not taken effective conservation actions to do more while still meeting the Governor's mandate of basing the required reductions on per capita water use.

4) **Adjusts for climate differences:** Outdoor water use should be efficient in both cooler and warmer climates. The apportionment method used should take differences in climate into account so that water efficient landscape, which have been or will be installed across the state as part of the Governor's effort to replace 50 million acre feet of turf, can be maintained in the state wide variety of climate zones. The proposed alternative factors in climate because it compares an agency's water usage to itself through the use of the 20x2020 GPCD.

5) **Continue to recognize the effectiveness and impact of Allocation-based tiered rate structures:** As previously communicated, allocation based tiered rates send a strong price signal encouraging customers to efficiently use water. To develop allocation based tiered rates a significant amount of data is collected to set individualized budgets. This data includes persons per household and information about irrigated landscape area that can be used to set efficiency targets. We encourage the SWRCB to use a performance-based efficiency standard, which is estimated at 15%, for calculating the targets for agencies with allocation-based rate structures or those that transition to them during the reporting period.

   This has been incorporated into the proposed model. The performance efficiency standard is based on:

   a) ***Residential indoor residential use at 55 gallons per capita per day:*** A state standard was set in SB x7-7 of 55 GPCD for residential use. December of 2014 was a wet month across the state, the residential water use in that month should reflect mostly indoor demand. A review of the R-GPCD data submitted to the State Board shows that the average indoor use across the state is close to 72 GPCD. Meeting a 55 GPCD target is a 24 % reduction of average indoor use.

b) ***Outdoor landscape allocation based on drought tolerant plants and drip irrigation or other equivalent irrigation system:*** This represents a more efficient landscape standard than is currently in the State's Model Water Efficient Landscape Ordinance that strongly limits the use of turf (proposed ET Adjustment factor of 0.6). It will apply to residential, commercial, industrial and institutional landscape accounts. It also limits the impact on indoor commercial, industrial, and institutional water use that could adversely impact the economy.

We recognize and appreciate the SWRCB's challenge in developing an easy to understand apportionment of the 25 percent water use reduction allocating a proportionally higher reduction to those areas with higher per capita use. The draft regulations set out an outline for the implementation of a 25 percent reduction in potable urban water use. Unfortunately, the draft regulations are unlikely to result in an apportionment scheme that recognizes the prior adoption of water conservation practices and the resultant demand hardening, and the goal of ensuring efficient water use by Californians. The apportionment method we are submitting accomplishes these things while still obtaining the 25 percent mandatory reduction. The sponsors of this letter would like to acknowledge the work of the Advanced Research in Government Operations group and in particular, Patrick Atwater, for his hard work in putting this approach together.

We agree with the SWRCB that the management of any limited resource includes the practice of conservation, and understand the impacts the drought is having on the state. Thank you again for considering our comments and our proposed appropriation method. We look forward to discussing the proposed method in greater detail with you and are open to working with you to refine it to meet the SWRCB's needs. In the meantime, please do not hesitate to contact Fiona Sanchez with the Irvine Ranch Water District at (949) 453-5325 if we can be of assistance to you or your staff, or if you have any questions on the proposed apportionment model.

Sincerely,

Jonathan Daly, General Manager
City of Corona

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

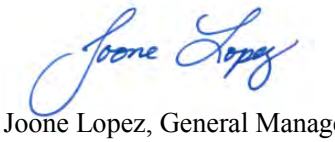
John D. Vega, General Manager
Elsinore Valley Municipal Water District

Paul A. Cook, General Manager
Irvine Ranch Water District

Brian Brady, General Manager
Fallbrook Public Utility District

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

Brett Sanders, General Manager
Lakeside Water District



Joone Lopez, General Manager
Moulton Niguel Water District

Jeff Armstrong, Interim General Manager
Rancho California Water District

Tom Kennedy, General Manager
Rainbow Municipal Water District

Rich Atwater, Executive Director
Southern California Water Committee

John Rossi, General Manager
Western Municipal Water District

cc: Caren Trgovcich, Chief Deputy Director
Eric Oppenheimer, Director of the Office of Research, Planning and Performance
Max Gomberg, Office of Research, Planning and Performance

Enclosures: