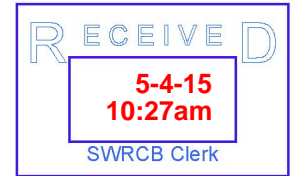


commentletters

LATE COMMENT

From: Fong, Valerie <Valerie.Fong@CityofPaloAlto.org>
Sent: Monday, May 04, 2015 10:27 AM
To: commentletters
Subject: Comments from Palo Alto re: Notice of Proposed Emergency
the 25% Conservation Standard



Dear Ms. Townsend:

The City of Palo Alto appreciates the opportunity to comment on the State Water Resources Control Board's (SWRCB) *Notice of Proposed Emergency Regulation Implementing the 25% Conservation Standard* released on April 28, 2015. Palo Alto supports the Governor and the SWRCB in their efforts to manage California's ongoing drought and appreciates the short timeframe for developing regulations. We offer the following recommendations for the SWRCB to consider in the final regulations:

- **Conservation Standard for Urban Water Suppliers:** Palo Alto appreciates the increase in the number of tiers to reduce the differences for those agencies near the tier break points and we support doubling the number of tiers and the use of two percent, instead of four percent, increments.
- **Exception for Conservation Standard:** We support the SWRCB's exception to the conservation standard to account for local conditions, but believe that the restrictions are too narrow. Palo Alto supports allowing water suppliers to request to be placed into a lower conservation tier in consideration of the local water supply conditions even if water supplies are imported from outside the service territory. This rewards good planning and operational decisions that have left certain areas in relatively better conditions with respect to water supplies. The infrastructure requirements and operational consequences of preserving water for droughts has not been free over the past several decades and these investments should be recognized and included in consideration of conservation reduction requirements.
- **Reporting Requirements for CII Customers:** We appreciate the change in the current final draft regulations from the prior draft regulations requiring monthly reporting of the total usage for the commercial, industrial and institutional sector as a whole rather than for each of those customer types separately. Please clarify that this is the correct interpretation from the change made from the April 18 draft to the April 28 draft regulations.
- **Additional Reporting Requirements:** Duplicate and redundant reporting should be avoided, as agencies are already facing resource challenges as they keep up with the changing regulations. For example, the list of restrictions we are enforcing, and our enforcement steps, are already public, posted for our customers' information. The Board should articulate what information they need and how it will be useful before putting more reporting burdens on water suppliers. Also, see comments above about customer confidentiality concerns around reporting out of CII sector use.
- **Penalties:** Any assessment of penalties to Water Suppliers will exacerbate the difficult situation already faced by their customers. As a publicly owned utility we do not have shareholders to shoulder the burden of financial penalties, and so any fines will eventually be paid by customers. While our intent will be to meet the conservation mandate, if for some reason this is not possible and financial penalties are assessed, we ask SWRCB to make every effort to ensure that revenue is directed back to the effected communities to help with programs to achieve the State's goals for conservation.

Thank you for considering Palo Alto's comments and for engaging stakeholders throughout the development of this regulation. Please contact me, or Debbie Lloyd at 650-329-2369 or Debra.Lloyd@cityofpaloalto.org should you have any questions.