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**(12/7/15) Public Workshop
Urban Water Conservation
Deadline: 12/2/15 by 12:00 noon**

Ms. Felicia Marcus, Chair

December 1, 2015

State Water Resources Control Board



Dear Ms. Marcus,

Desert Water Agency (DWA) would like to thank the State Water Resources Control Board (SWRCB) for the opportunity to submit comments on the framework for the Emergency Regulation for Statewide Urban Water Conservation (emergency regulation).

Governor Brown's April 1 Executive Order for a mandatory 25 percent reduction in statewide water use required the SWRCB to take immediate action. In one month's time, the SWRCB was able to quickly develop and implement a policy framework that, thus far, has exceeded its overarching, short-term objective. However, the urgency surrounding the development and implementation of the emergency regulation necessitated a blanket approach that is not realistically sustainable for all.

A one-size-fits-all approach is not the best way to regulate water consumption in a state as economically and geographically diverse as California. When taking action to reduce emissions or raise education standards, California's regulators do not apply policies and regulations across the board because there are too many variables at play – the same is true for water. We believe that the agencies in the Coachella Valley have uniformly been unable to meet the standards imposed due to significant external factors that should be considered before the SWRCB extends the emergency regulations.

Additionally, the SWRCB's current method for calculating R-GPCD uses the 2010 Census population data alone, which is an inaccurate representation of the population in DWA's service area. According to the 2010 Census, DWA's service area has a population of 62,194, but in 2010 we served more than 100,000 residential customers if you take into account seasonal population and vacation rental occupants (Wheeler's, 2009; City of Palm Springs, 2015). The State Board rejected DWA's request for evaluation of some of the underlying assumptions that led to DWA's steep 36 percent requirement.

The initial framework for the emergency regulation was created as a short-term fix. Recognizing that there is no end to the current drought in sight and the emergency regulation may need to be extended, we need to build a more sustainable framework by addressing regional and local circumstances. To build a more sustainable framework, modifications to the emergency regulation must:

- ✓ Ensure fair and accurate reporting standards;
- ✓ Address local considerations; and
- ✓ Acknowledge, not penalize, long-term commitments to conservation.

Our priority is to support our customers in achieving conservation gains, and we will continue to do so. Our robust outreach efforts have earned us a great deal of praise from our community, stakeholders and the Association of California Water Agencies. DWA has also dedicated a great deal of resources to enforcement, despite the 29 percent revenue shortfall we're experiencing due to the decreased sales. We're proud that our conservation is above the statewide average.

We undoubtedly share your goal of protecting our state's water resources. DWA would like to work with the State Board to continue achieving conservation gains moving forward, but we need a fair regulatory environment to operate in – one that balances the need to reduce water consumption with the needs of our community and our economy. We have outlined several critical factors below that should be considered before extending the emergency regulation:

POPULATION ADJUSTMENTS

The SWRCB needs to allow communities to show the state adjusted population figures if the emergency regulation is extended. The SWRCB's current method for calculating R-GPCD uses the 2010 Census population data, which is an inaccurate representation of the population in DWA's service area. Palm Springs is largely a retirement and second-home community, as well as a popular tourist destination. Recent economic growth has also contributed to hundreds of new accounts in DWA's service area.

According to the 2010 Census, DWA's service area has a population of 62,194, but we serve an more than 100,000 residential customers.

SEASONAL POPULATION

DWA's service area has a large population of seasonal residents. The seasonal population in our service area is roughly 34,000 – that's one-third of the counted population in DWA's service area. These residents are not included in the Census, but they live in the community part-time and irrigate their yards and gardens year round. Again, seasonal residents account for more than 30 percent of the population in our service area. This does not even account for visitors staying in vacation homes, which unfairly skews our R-GPCD figure. By counting the water that 34,000 seasonal residents and an estimated 5,000 tourists in vacation homes use, but failing to count these customers as part of DWA's population, the emergency regulation places an unfair burden on our community.

TOURISM

As a tourist destination, we see about a million tourists each year (Wheeler's, 2010). **This is significant because unlike large cities that are tourist destinations, our population is often more than doubled by this advent of visitors.** According to visitor industry statistics, Palm Springs has about 123 hotel rooms per 1000 residents, whereas San Francisco only has 39 hotel rooms per 1000 residents. The ratio of visitors to residents is such that the additional water use cannot be easily absorbed. We do reach visitors by providing free conservation materials to many area hotels, but these visitors may be unaware of California's drought or have a different conservation mandate in their part of the state.

Additionally, SWRCB should recognize that water agencies cannot control tourism and travel patterns. The Desert Sun reported that over one weekend in November alone, 140,000 people came to Palm Springs for a Pride Celebration. Post-recession our tourism industry has experienced an incremental rebound, which makes a 2013 baseline disadvantageous. Knowing the importance of our hotel industry, we have programs specifically tailored to help them reduce their water footprint.

NEW ACCOUNTS & ECONOMIC GROWTH

Since the current framework does not account for growth, agencies like DWA that have grown since the baseline year are at a disadvantage. We have seen hundreds of new accounts come online since 2013. New accounts traditionally mean higher water use.

The SWRCB has not taken any action to make accommodations for agencies with population growth, nor does the State seem to deter growth or new development. Agencies that provide water are generally not the entities responsible for regulating population flux. We do, however, ensure that growth has a minimal water footprint by requiring developers to use Smart Controllers for all new residential properties – we also review their landscape plans for all properties to ensure water is used efficiently. We put strict controls on water used for dust suppression, which is needed to meet the State’s air quality requirements. We have worked with regional partners on a model landscape ordinance for new development.

Due to the economic growth we’ve seen in our service area, asking our customers to save 36 percent will not achieve a total 36 percent reduction.

DWA would support the SWRCB in allowing agencies to calculate their water use with an adjustment for growth. This could be achieved simply by dividing production by active meters in the baseline year and then multiplying that number by the current number of active meters for a new baseline.

*Jan 2014 Production / Jan 2014 Active meters * Jan2016 Active meters = Adjusted Jan baseline*

CLIMATE & TEMPERATURE

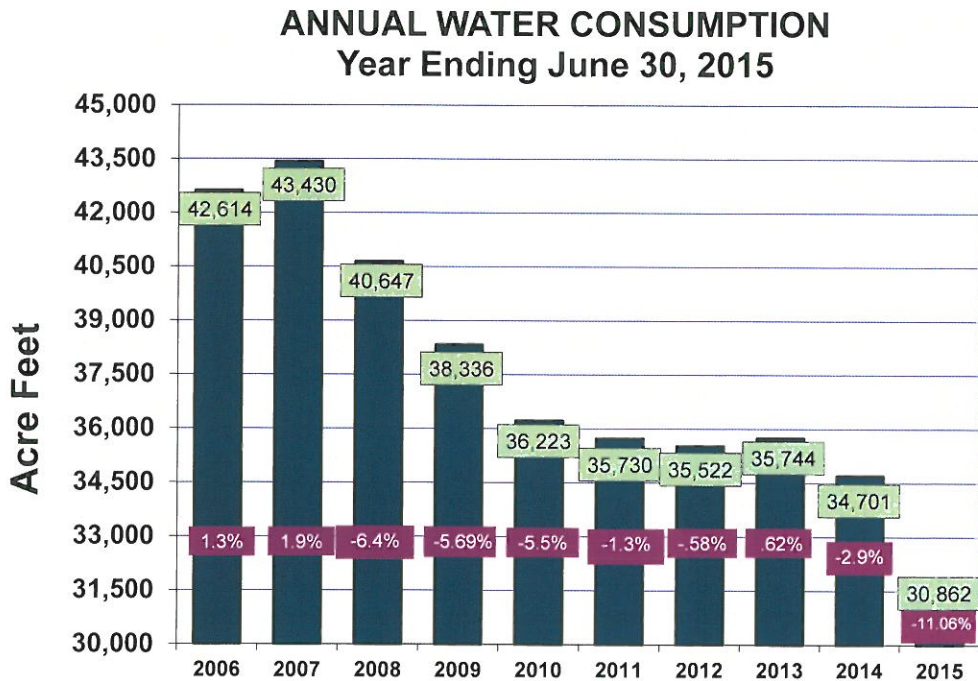
California is the most geographically diverse state in our country, a characteristic which the emergency regulations fail to acknowledge. DWA is located in the Coachella Valley, **one of the hottest places in the world**. Having weeks with average highs in the 120s is not remarkable for our region during much of the year. People, animals, trees and plants – even those that are drought-tolerant – all need more water to merely stay alive in these conditions. This is not something that most of California has to endure.

The State Board’s framework is based on residential gallons per capita per day (R-GPCD), but did not factor in adjustments for climate. This is a big part of the reason our gallons per capita per day has been historically higher than other parts of the state. The dry and warm winters do not generally allow for residents to entirely eliminate irrigation, as is feasible in other regions.

Additionally, using one baseline year to calculate conservation has proven difficult for Desert Water Agency. In October, for example, the weather in 2015 was about eight degrees hotter on average than in 2013 (NOAA, 2015). Hotter weather necessitates more water to keep everyone and everything here alive. DWA would support SWRCB efforts to “credit” agencies for discrepancies in temperature and precipitation compared to their baseline year – thus comparing apples to apples. DWA would also support using the average of several years of production as a baseline, rather than a single year.

PREVIOUS CONSERVATION

The severe statewide drought created an unprecedented need to conserve that forced water agencies across California to invest in temporary programs and policies to curb water production. However, prior to the State’s mandatory restrictions, DWA had already significantly reduced water use. DWA customers voluntarily started saving water in advance of the Governor’s mandate for 20 percent reduction by 2020, and continued that savings thereafter. DWA has been a long-time leader in conservation. This leadership is now hurting our community. Compared to 2007, DWA had already reduced production by nearly 20 percent in 2013 – the year in which our community achieved record-low water production is now being used as the baseline year for measuring all water savings according to the emergency regulation. DWA would support an attempt to credit agencies for past reductions.



WATER RECYCLING & GROUNDWATER MANAGEMENT

Currently, there is no credit to agencies for alternative water supplies or groundwater management. Local DWR staff told members of our staff, along with other regional agencies, that the groundwater management of the Whitewater basin is exemplary and would likely be used as a model for other similar basins in the state. Years of responsible management have ensured that during drought conditions, the demands of our customers can be met. We've worked with our partners in the region to ensure sustainability.

Our customers are being asked to make the most severe cuts in the state, despite years of investing in groundwater management to avoid such a situation. We understand the need to show solidarity with other regions in the state by bolstering conservation, but our region is now experiencing serious economic impacts due to State mandates despite having a sustainable, healthy supply.

DWA has been recycling water since the 1980s, which has allowed the Agency to convert every public golf course in its service area to recycled water. **Through a \$27 million capital investment, DWA is one of the few water agencies in California that recycles 100 percent of the wastewater in the Agency's service area to provide about 1.5 billion gallons of reclaimed water supplies annually** for irrigating parks, schools, street medians and golf courses in DWA's service area. This source is also augmented with production from shallow groundwater wells that are not used for potable water. Recycling does allow for conservation of potable supplies and doesn't account for conservation for some discretionary landscape use, increasing the burden on other customers and indoor use. We believe this should be evaluated as part of the SWRCB's consideration.

DWA supports the state in granting a credit for those agencies with recycled water production. A system that rewards agencies for drought-sustainable practices would encourage more agencies to take steps to take a long-term approach. This also has the benefit of reducing dependence on statewide supplies and demands on the Bay Delta.

ADDITIONAL DATA

Desert Water Agency believes that any additional data provided to the state beyond the current level should be voluntary. If an agency is requesting an adjustment or credit, additional data like weather, recycled water production or the number of new accounts may be warranted. This new data could be used to level the playing field for regions that have been disproportionately affected. DWA does not support the use of additional data for upward adjustments for water agencies.

Desert Water Agency would like to see additional data about the State's success in implementing its 25 percent requirement for private pumpers and also for state agencies.

PRECIPITATION

We believe that the SWRCB should assess snowpack levels in January and again in April to determine whether the percentage mandates should be adjusted downward. This is an issue of credibility. If we ask

our customers to continue saving 36 percent after a winter that brings a heavy snow to the Sierras, they may not heed our warning when there is an urgent need to save in the future.

Additionally, DWA would not support increasing mandatory conservation targets due to precipitation since the target would only be able to be adjusted after these weather conditions. Raising a target after the fact would make reaching the target difficult for both the water agency and its customers.

Desert Water Agency supports the state mandate restricting irrigation 48 hours after a measurable rainfall.

IN CLOSING

DWA has not taken this emergency regulation lightly, and we're proud that our conservation is above the statewide average. All of our outreach has implored customers – "Don't Dismiss the Drought". The conservation achieved by our customers is evidence that they too have been willing to make sacrifices to help meet the Governor's request for a 25 percent statewide reduction. Increasing conservation outreach has cost the Agency about \$145,000 and enforcement costs are projected to be in excess of \$215,000. This is all at a time when our Agency will see \$8.2 million less in revenue. Our Agency also needs to dedicate resources to its aging infrastructure and ensure that water quality meets State standards.

If the SWRCB extends the emergency regulations, DWA urges the State Board not to take action until taking all of the above-mentioned factors into careful account and consideration.

Thank you,



David Luker

General Manager and Chief Engineer
Desert Water Agency