



THE CITY OF SAN DIEGO



December 2, 2015

Sent via Electronic Mail: commentletters@waterboards.ca.gov

Honorable Chair Felicia Marcus
and State Water Resources Control Board Members
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Dear Chair Marcus and State Water Resources Control Board Members:

Thank you for this opportunity to submit comments on the potential extension and modification of the existing Emergency Regulation for Statewide Urban Water Conservation (Emergency Conservation Regulation). San Diego is fully committed to being leaders in water use efficiency programs and policies as well as fostering a strong baseline conservation ethic in our community.

We are responding to the three questions asked in the workshop notice. In addition to these comments, I thought it might be helpful to share with you the City of San Diego's experience with enacting programs to simultaneously achieve this extraordinary conservation while developing new drought-proof local water supplies as I believe this context is instructive to the broader policy discussion.

Question 1: What elements of the existing Emergency Regulation, if any, should be modified in an extended Emergency Regulation?

Allow an alternative compliance approach that accounts for the development of drought-resilient supplies. San Diego feels strongly that water suppliers should be allowed to meet Emergency Conservation Regulation targets through a combination of water use restrictions and the development of sustainable drought resistant supplies.

San Diego long ago understood the importance of diversifying its water supply portfolio (including conservation) and began efforts to do so in the early 1990s after we faced the possibility of a 50% reduction in water supplies. We learned the importance of being able to provide reliable water supplies to our community, especially our business community which requires certainty when forecasting water availability in order to maintain operations and possibly grow their businesses. Over the past quarter century, our community has supported investments in critical water supply projects and conservation to assure that San Diego moved increasingly towards water supply reliability and self-sufficiency.

As the City of San Diego and the greater San Diego region have chosen to make the necessary investments in these projects and programs, we have done so appreciating that they come at a



higher price. Our community was prepared for this eventuality, knowing that the extra cost would result in greater resilience. We considered it to be akin to a drought insurance policy.

It has been difficult to tell our ratepayers that their investments in local supply projects have not resulted in providing the buffer against drought as intended - that the Emergency Conservation Regulation does not recognize the introduction of new drought-proof water supplies as contributing towards the statewide water gap.

Two weeks ago, I presented a 5-year water rate increase proposal to San Diego's City Council for approval. At the rate hearing and the multiple preceding community presentations, we heard from our ratepayers that their trust had been strained because the reliability benefits that their investments were supposed to yield have not been forthcoming in this statewide drought response. Absent our requested modification to the Emergency Conservation Regulation we fear it will become increasingly difficult for agencies like ours to be able to justify more expensive investments in local water supply options, which we believe is contrary to the stated intent of the California Water Action Plan.

Promote Recycled Water Use. Recycled water benefits are multiple, not least of which is that it reduces ocean discharges. We support the recycled water adjustment presented by the Irvine Ranch Water District that provides a simple technical adjustment to normalize the impacts of the conservation standards such that recycled water customers are not conserving more than if they were using potable water. Also, while recycled water use should always be utilized in an efficient manner, we believe that restricting the use of recycled water is counterproductive to the State's goal of increasing recycled water use.

Allow Rollover Conservation Achievements between Regulation Phases 1 & 2. The State Water Resources Control Board (State Board) established a goal of 1.2 million acre-feet of savings for "Phase 1" of the Emergency Conservation Regulation that was set to expire in February 2016. Each agency was assigned a conservation standard that translated into a fixed amount of water savings. If the State Board does extend the Emergency Conservation Regulation past February 2016, we expect each agency to be given a water reduction new goal for "Phase 2". Water agencies that were able to achieve extra conservation, above its conservation standard, in Phase 1 of the Emergency Conservation Regulation should be able to count that extra conservation towards meeting their Phase 2 conservation goal.

Question 2: What additional data, if any, should the State Board be collecting through the Emergency Regulation and how would it be used?

We believe that monthly reporting to the State Board should be limited to assuring compliance with the Emergency Conservation Regulation in as simple a format as is possible.

Question 3: How should the State Board account for precipitation after January 2016 in its implementation of any extension of the Emergency Regulation?

Nexus to Demonstrated Need. There needs to be a demonstrated nexus between the implementation of water use restrictions and the status of water supply conditions. Local and regional agencies should be able to petition the State Board for reduced conservation standards if local conditions demonstrate a reduced emergency status.

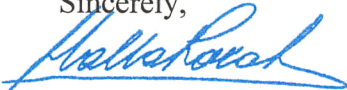
Assuming El Niño conditions have not replenished water supplies to bountiful levels by February, we prefer that the State Board works with the California Department of Water Resources (DWR) to evaluate factors such as the State Water Project Table A Allocations, snowpack measurements, and major reservoir storage conditions and establish “Phase 2” conservation standards at the end of the water year (April 2016). It will be very important that the State Board be prepared to curtail or terminate the Emergency Conservation Regulation at the point where conditions warrant it, even if after April 2016. As such, a month-to-month analysis may be warranted.

Conclusion

The City of San Diego is very pleased to be on the forefront of developing much needed new water supplies from potable reuse. We also have recently secured funding to invest in Citywide Smart Meters as part of our commitment to next-generation conservation programs. It is essential that our ratepayers know that our efforts to invest in water supply reliability and resilience are recognized. As such, we implore the State Board to modify the Emergency Conservation Regulation to allow an alternative compliance approach to meet Emergency Conservation Regulation targets through a combination of water use restrictions and the development of sustainable drought resistant supplies.

We also seek assurances that the State Board’s continuance of the Emergency Conservation Regulation will be rooted in demonstrated need for water savings and that there will be an ability for local agencies or regions with sufficient water supplies on hand to petition for reduced conservation standards.

Sincerely,



Halla Razak, P.E.
Director of Public Utilities

CP/slh