



Environmental Utilities
Administration
2005 Hilltop Circle
Roseville, California 95747



June 30, 2015

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Comment Letter: Conservation Pricing

Like all water agencies in California, the City of Roseville is currently evaluating ways to address the myriad issues associated with the current drought, while complying with State mandates and laws, including the Governor's Executive Order, and Proposition 218. Clearly there are no definitive and universal solutions applicable to all water agencies. However, based on what is known to date, the City of Roseville offers the following comments in response to the Board's request for input:

1. What actions should the State Water Board take to support the development of conservation pricing by water suppliers that have not yet developed conservation rate structures and pricing mechanisms?

- Encourage a process that allows agencies the flexibility to implement rate structures reflective of the circumstances specific to each water agency.
- Because water sources and availability vary widely among water agencies, the assertion that tiered conservation rate structures are the only answer may be somewhat limiting. While tiered rate structures may in fact result in increased conservation under certain scenarios, more evidence is needed before tiered conservation rates should be considered a one-size-fits-all solution.

Alternatively, there is competing information, and it can be intuited, that a uniform rate could also be an effective option because the vast majority of water use occurs in the lower tiers. In Roseville, approximately 95% of all water usage falls within the first two tiers (this equates to 89% of water rate revenue). Conservation rates applicable to high usage tiers would impact only a relatively small portion of customers, whereas a uniform cost of service rate would apply to 100% of customers.

- Encourage application of revenue recovery drought rate surcharges, which by nature specifically target water conservation during drought conditions, are proportionate to water usage, and, from a customer-service perspective, have the benefit of being temporary.
- Recognize and promote measures already in the CUWCC BMP 1.4 matrix as options to use depending on the agency's need.

2. What actions should the State Water Board take to support water suppliers that have already developed conservation rate structures and pricing mechanisms to improve their effectiveness?

- Promote cross-collaboration between water agencies to facilitate creation or enhancement of customer service “tools” such as free water use audits, water use histories, website calculators, etc.
- Recognize pre-SB X7-7 water usage as a benchmark for water reductions rather than 2013 usage. Agencies who have achieved significant savings in compliance with SB X7-7 may not be able to achieve additional savings as easily as those agencies that did not already have effective conservation programs in place.

3. What actions can the State Water Board take to assist water suppliers in demonstrating that existing rate structures harmonize competing legal authorities associated with water rates?

- Provide training on cost of service analyses enabling agencies to work within existing law to develop conservation rate structures.
- Emphasize that Prop. 218 is existing law, and as such will be upheld and supported by the State Water Board.
- Facilitate directing grant funding for water conservation incentives (turf replacement, pool covers, etc.). Target communities where these incentive programs are in the highest demand.

The City of Roseville is appreciative of the opportunity to provide input regarding these complex questions, and will continue to actively participate in resolving drought and water conservation issues.

Sincerely,



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Environmental Utilities Director