



Ms. Felicia Marcus, Chair

January 5, 2016

State Water Resources Control Board

Dear Ms. Marcus,

Desert Water Agency (DWA) would like to thank the State Water Resources Control Board for the opportunity to submit comments on the proposed regulatory framework for the Extended Emergency Regulation for Urban Water Conservation (emergency regulation) and for the opportunity to make comments before the Board on December 7.

We applaud staff's efforts to take into consideration a variety of factors when developing their proposal. It is clear that they wanted to demonstrate that they were listening to the comments and concerns voiced at the December 7 workshop, however we feel that the framework falls short in accounting for the factors that impact communities with extreme or various circumstances. We remain hopeful that staff will take this first round of comments to further improve upon the draft regulation with intelligible and reasonable adjustments that will continue to advance the statewide commitment to conserve. We ask staff to consider reconsidering the following elements in the draft framework:

- Four percent overall cap
- Climate adjustment methodology
- Growth methodology
- Seasonal population consideration
- Recycled and groundwater credits
- Inclusion of a reassessment of the statewide goal in April 2016

FOUR PERCENT CAP

The four percent overall cap seems arbitrary – especially if it will result in a three percent cut to the state's overarching conservation goal. Some agencies should receive multiple adjustments, and the new regulatory framework should provide the needed flexibility for granting those adjustments. In our view, if an agency has growth, seasonal population and hotter than average climate, there should be reprieve on more than one front. If an agency has to manage a number of circumstances and/or has taken efforts that merit adjustment, we do not believe it is fair to limit their adjustment by only four percent, especially if the agency's current mandate is beyond 30 percent.

There is no requirement for the SWRCB to meet a 25 percent reduction under the new executive order, so the cap is not reasonable. We would also like to point out that a four percent adjustment for an agency in tier 2 is far more significant than for an agency in tier 9. As shown in the table below, a four

percent adjustment will significantly reduce many agencies’ conservation standards by 20, 25 and even 33 percent while cutting others completely in half. For our Agency, which truly needs an adjustment to account for extreme climate, a mere four percent adjustment would reduce our community’s conservation standard by about 10 percent. An across-the-board cap on necessary adjustments is not the best solution.

Tier	Conservation Standard	Ratio of 4% Adjustment to Conservation Standard
1	4%	100%
2	8%	50%
3	12%	33%
4	16%	25%
5	20%	20%
6	24%	17%
7	28%	14%
8	32%	13%
9	36%	11%

We understand that adjustments to agency conservation mandates cannot – and should not – be limitless. The sole purpose of the emergency regulation is to provide a framework for every water agency and its customers to work toward reducing statewide water use. Allowing any water agency to whittle its conservation mandate down to nothing would be unfair and would render the emergency regulation useless. However, there must be a better way to cap necessary adjustments. For example, the cap could be set at 20 or 25 percent of an agency’s current conservation standard. However, if the State Water Board is going to place a cap on adjustments, then that adjustment cap needs to be proportional to the existing conservation standards that are being adjusted.

Tier	Conservation Standard	20% Adjustment Cap	25% Adjustment Cap
1	4%	1%	1%
2	8%	2%	2%
3	12%	2%	3%
4	16%	3%	4%
5	20%	4%	5%
6	24%	5%	6%
7	28%	6%	7%
8	32%	6%	8%
9	36%	7%	9%

CLIMATE ADJUSTMENT METHODOLOGY

For the agencies in the highest ET zone in the state, a four percent adjustment is not sufficient to address a more than 27 percent deviation from the statewide average ET.

Under the methodology presented by SWRCB staff, an agency with a five percent deviation from the statewide ET would receive a two percent credit, whereas an agency with more than five times that deviation would receive a four percent credit. A mere two percent cannot account for the dramatic climate difference. We believe that this metric unfairly disadvantages communities with the hottest, driest climates. **Our customers live in one of the hottest places in the world** – living conditions most Californians do not understand. People, animals, plants – even those that are drought tolerant – simply need more water in our region.

Using the climate adjustment methodology submitted by the Association of California Water Agencies to the SWRCB prior to the December 7 workshop, DWA would see an adjustment from the Agency's current 36 percent conservation standard to an approximate 27 percent, rather than the 32 percent that results from the SWRCB staff methodology. Reducing an agency's conservation standard by the same proportion as its deviation from the statewide temperature is reasonable and easy to explain. It is much simpler and fairer than the SWRCB staff-proposed methodology. Additionally, its impact to statewide water savings would only be 2.3 percent.

The SWRCB staff inaccurately characterized the stakeholder proposal as resulting in a 0-15 percentage point decrease to suppliers existing conservation requirements. However, as an agency in the highest ET zone in the state, and with the highest conservation standard, we would receive an adjustment of less than 10 percentage points. It would also treat each ET zone differently, rather than lumping agencies with different deviations together. We believe the adjustment as proposed by stakeholders is reasonable and intelligible.

GROWTH METHODOLOGY

The methodology provided by SWRCB staff is very complex and requires information that many agencies, like DWA, do not readily have available. Additionally, even those agencies that have experienced significant growth receive a negligible credit. This adjustment methodology is not reasonable or easy to understand.

DWA supports the growth adjustment being made with an increase of the baseline year to account for all new connections. This ensures that communities that have experienced growth, which is beyond their control, are not unfairly burdened.

The simple methodology below would allow the SWRCB staff and agencies a simple way to account for growth.

*Jan 2013 Production / Jan 2013 Active meters * Jan2016 Active meters = Adjusted Jan baseline*

SEASONAL POPULATION CONSIDERATION

We believe that the SWRCB should report population figures and R-GPCD numbers using data with supporting justification submitted by agencies. Reporting accurate R-GPCD numbers is important as it gives a clearer picture of water use in our area. Using the accurate figures we submitted, our R-GPCD is cut nearly in half compared to the state’s initial calculation. Although we would still remain in Tier 9 using July through September data, we would appreciate the SWRCB’s efforts to report accurate water use data for our community.

We also find it discouraging that after significant changes to our population figures that resulted in a R-GPCD of nearly half the SWRCB-calculated figure, we are still in the same tier.

WATER RECYCLING & GROUNDWATER MANAGEMENT

Staff should reconsider giving credit to agencies with groundwater sustainability and recycled water production. DWA customers have invested in these efforts for years as a way to safeguard our community from the effects of drought conditions. Our groundwater basin is sustainable, and we are not facing water shortages.

The drought-resilient supply credit unfairly disadvantages non-coastal communities for which desalination of seawater use is not an option.

It is also unclear as to why the SWRCB treats groundwater storage differently than surface water storage.

A simple flat percentage credit could be given to agencies that get a vast majority of their supply from medium- or low-priority basins. The recycled water credit could be simply calculated as laid out by the panel at the December 7 workshop.

REASSESSMENT OF MANDATORY TARGETS IN APRIL

Desert Water Agency would like the State Board to consider setting a trigger for the adjustment of the mandatory conservation targets based on the snowpack survey findings. This is extremely important to the credibility of agencies in asking their customers to save.

If there is a wet winter, the targets should be adjusted downward or removed. Part of the reason we’ve had such remarkable success in garnering statewide savings is that people see the need for it. We want to ensure that emergency water restrictions remain effective by using them only when truly needed.

The adjusted conservation mandate percent could be decreased by the amount over average snowpack on April 1, 2016.

Scenario: Agency with 36% receives 4% adjustment and there is 105% of average snowpack.

32% adj. mandate *(100% ave snowpack - 5% amount over 100% snowpack) = 30.4% mandate Apr - Oct

IN CLOSING

Supporting our customers in achieving conservation gains has been a top priority for DWA. We have spent an incredible amount of time, energy and resources to yield unparalleled conservation. We are proud that the water we've saved is not only above the previous 25 percent statewide mandate, but has also made significant contributions to a 27 percent statewide savings.

Increasing conservation outreach has cost the Agency approximately \$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.

We share your goal of protecting California water resources. DWA would like to work with the State Board to continue achieving conservation gains during the extension period, but our customers need a fair regulatory environment— one that balances the need to reduce water consumption with the needs of our community and our economy.

DWA appreciates the State Board's willingness to address the hardships created by the existing framework. Our hope is that the SWRCB implements meaningful changes that will be fair and easy to explain to our customers.

We continue to tell our customers that they must do more to conserve, especially in the face of extreme heat. At the same time, they're criticized for falling short despite the fact that our community's conservation achievements are above the statewide average – it's becoming a hard message to sell. At this point, we are hearing from some of our customers that they are fatigued and see little use in trying to meet a goal that seems impossible to reach. We believe that more of our customers would be willing to step up to conserve even more if they felt that the mandated conservation percentage was fair and attainable for our community.

Thank you,



David Luker
General Manager and Chief Engineer
Desert Water Agency