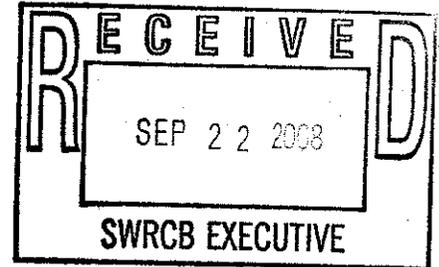




San Diego County Water Authority

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September 22, 2008



MEMBER AGENCIES

- Carlsbad Municipal Water District
- City of Del Mar
- City of Escondido
- City of National City
- City of Oceanside
- City of Poway
- City of San Diego
- Fallbrook Public Utility District
- Helix Water District
- Olivenhain Municipal Water District
- Otay Water District
- Padre Dam Municipal Water District
- Camp Pendleton Marine Corps Base
- Rainbow Municipal Water District
- Ramona Municipal Water District
- Rincon del Diabla Municipal Water District
- San Dieguito Water District
- Santa Fe Irrigation District
- South Bay Irrigation District
- Vallecitos Water District
- Valley Center Municipal Water District
- Vista Irrigation District
- Yuima Municipal Water District

Tam Doduc, Chair
and Members of the
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Subject: Comment Letter - Proposal to Mandate Water Conservation Management Practices

Dear Chair Doduc and Members of the Board:

The Water Authority and 20 of our member agencies are signatories to the California Urban Water Conservation Council (CUWCC) Memorandum of Understanding (MOU). Locally we have been operating successful conservation programs since the early 1990s by complying with the CUWCC best management practices (BMPs), implementing additional measures through our Blueprint for Water Conservation, and by sponsoring and supporting legislation, such as plumbing code changes, that has led to tremendous water savings. While we are implementing conservation programs locally, we recognize that not all water agencies in California have aggressive programs and there is a need to implement conservation throughout the State.

We offer comments on the following key issues and questions listed in the State Water Board's Discussion Paper.

1. Should the State Water Board adopt an urban water conservation regulatory program? Will mandating urban water suppliers to implement certain practices or meet specific performance standards be beneficial for enhancing water conservation?

While increasing the level of conservation throughout the State is important, it is premature for the State Water Board to adopt a comprehensive urban water conservation regulatory program. Currently, there are five State agencies looking at how to achieve the Governor's recommended 20 percent reduction in demands by 2020. State Water Resources Control Board, Department of Water Resources, Department of Public Health, California Public Utilities Commission, and California Energy Commission. It is not clear what role each of these agencies will play in conservation. Without proper coordination, multiple State agencies trying to

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implement conservation programs could result in inefficiencies and create confusion among water agencies and their customers. The State agencies should jointly develop a coordinated plan to meet conservation goals, which clearly identifies the role of each State agency, builds on existing roles and responsibilities, and avoids duplication of effort.

State efforts to promote conservation should include financial incentives, mandates, and outreach and education efforts. State agencies should consider and build on the efforts of the CUWCC. The CUWCC is a valuable resource to ensure that conservation programs are technically feasible and effective. The CUWCC is currently in the process of updating its BMPs to be approved by December 2008. These new BMPs will reflect the State of the Art in water conservation programs.

If the State Board decides to move forward with efforts that promote conservation, the State Water Board should:

- Build on existing structures to avoid creating a new State regulatory bureaucracy. For example, the State Board could use existing State Board authorities and processes to take enforcement against agencies or water users that have significant water waste even without the adoption of regulations.
- Work with the Regional Water Quality Control Boards to strengthen the Municipal Separate Storm Sewer System permits to reduce water waste from landscapes that result in substantial dry weather runoff.
- Apply requirements to all water users in the State including both urban and agricultural.
- Work with other State agencies to encourage consistent approaches to water conservation and avoid duplication of efforts. Examples of these other efforts include the Department of Water Resources model landscape ordinance and implementation of demand management measures through Urban Water Management Plan requirements.
- Work with other State agencies to develop a single statewide database for water use data.
- Encourage agencies to join the Urban Water Conservation Council to assist them in developing effective conservation programs.
- Ensure that conservation efforts are consistent with the existing efforts of the CUWCC, 20% X 2020 plan, and the AB 32 draft scoping plan.
- Promote statewide public outreach efforts for water conservation.

2. What is an appropriate definition of urban water supplier?

The State Water Board should define an "urban water supplier" based on the definition given in the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.), that is "a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers, or supplying more than 3,000 acre-feet of water annually. An urban water supplier

includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale of customers." (Wat. Code, § 10617).

3. Should the regulatory program apply to all areas of the state or only to areas subject to certain criteria?

Any regulatory program should apply equally to all areas of the state. Agencies that are smaller and more rural in nature would be excluded by using an appropriate definition of urban water supplier. The requirements for beneficial use of water should be applied equally throughout the State.

4. Would a performance-based regulatory program, allowing latitude for urban water suppliers to select the practices to meet specified water use reductions, be an effective approach? In what form should the performance standards be expressed, for example, targeted reductions based on total urban per capita use or on water use sectors (residential, commercial, institutional and industrial)?

A voluntary, cost-effective performance-based program with the maximum flexibility for implementation is an effective approach to achieving water conservation. The CUWCC is currently in the midst of a year-long evaluation of the BMPs and is considering creating a flexible approach that allows water agencies to select practices that will result in the greatest water savings in their service areas.

A part of that effort will include detailed technical discussions to develop performance measurement and verification standards. Both the CUWCC and the Governor's 20% X 2020 Agency Team on Conservation are considering the use of gallons per capita per day (gpcpd) as a metric. There are significant factors that need to be considered to ensure a valid a scientific approach when using gpcpd as a performance standard. While the gpcpd metric works well for agencies with primarily residential water use, it does not provide a good indication of efficiency in the commercial, industrial, and institutional sectors. It can be most effectively used to demonstrate water use trends within a single agency.

Both the CUWCC BMP revision and the Governor's 20% X 2020 Agency Team on Water Conservation processes, which will both be completed by the end of this year, are the appropriate venues for discussion of performance metrics.

Establishment of goals for retail agencies should use regionally planning efforts through Integrated Regional Water Management Planning and/or regional wholesale water agencies.

5. Should the State Water Board adopt prescriptive urban water conservation management practices, such as the CUWCC's BMPs? Would some of the BMPs be more appropriate for state wide implementation than others?

The State Water Board should not adopt prescriptive urban water conservation management practices. Use of prescriptive urban water conservation practices will impede efforts to conserve water. Approaches that water agencies use to promote conservation include regulatory, water rates, outreach and education, and financial incentives. The mix of programs and strategies will depend on local circumstances.

Theoretically, a water agency could achieve all of their conservation goals through a regulatory or water rate approach and not need to offer financial incentives. In addition, water agencies may want to concentrate on specific market sectors where they would expect to achieve the greatest savings.

6. Are water pricing structures the most effective conservation measure to mandate on a state wide basis? Should particular volumetric water rate structures, such as increasing block rate, be specified? What criteria should be considered in defining a rate structure? What should the rate structure look like?

The State Water Board should not mandate rate structures. While water rate structures can be effectively used to encourage conservation, they are a matter of local control. The Water Authority's member agencies have a variety of tiered water rate structures that promote water conservation. The process of setting water rates is complex and is the responsibility of local elected officials. It is not appropriate to move the responsibility and control for water rates from the local to the State level.

Water rates are adjusted frequently by urban water agencies based on many local factors, including, for example, the need to fund capital improvement programs and drought response. To that end, local officials need to have the flexibility to determine how much to recover from the fixed component of water rates, and how much to recover from a variable rate component. Currently, the Water Authority is providing technical assistance and tools to help our member agencies adapt their rates to ensure cost recovery and promote conservation during the drought. However, how these tools are used is at the discretion of each retail agencies and their respective governing bodies.

7. What data are available to support mandating particular water conservation practices and estimating the potential water savings associated with those measures?

The CUWCC has data estimating the potential water savings associated with particular water conservation practices. The CUWCC should remain as a technical resource and repository to keep the latest up-to-date information on effectiveness of conservation practices.

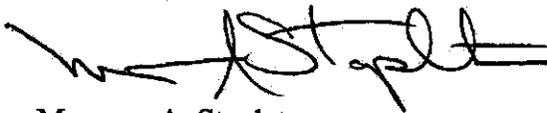
Water Conservation is a high priority for the Water Authority. It is in the interest of everyone that we make efficient use of our valuable water supplies. The Water

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Authority has achieved tremendous savings through water conservation programs, at considerable cost. With the current water supply situation, the Water Authority will continue to proactively implement demand management measures. We will do this with or without State regulations or mandates. To maximize water use efficiency, we would like to maintain the flexibility to use approaches that work best for our service area. We urge the State Water Board to work with water suppliers, other State agencies, the CUWCC, and other local agencies to encourage approaches that will achieve the greatest conservation in the most cost effective manner.

Thank you for the opportunity to provide our comments on the State Water Board's proposal. If you have any questions regarding this letter, please contact Toby Roy at (859) 522-6743.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maureen A. Stapleton', with a stylized flourish at the end.

Maureen A. Stapleton
General Manager