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April 22, 2015

Jessica Bean State Water Resources Control Board 1001 I Street, 24th Floor Sacramento, CA 95814

Re: Comments on Draft Regulations Implementing 25% Conservation Standard Released on April 18, 2015

Dear Ms. Bean:

The Vista Irrigation District appreciates the opportunity to comment on the State Water Resources Control Board (State Board) staff's "Draft Regulations Implementing 25% Conservation Standard" (Draft Regulations) and "Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction" (Conservation Standard/Tiers Table) released April 18, 2015.

The District also appreciates the fact that State Board staff has reviewed and revised the Draft Regulations and Conservation Standard/Tiers released on April 7, 2015 based on input received from various stakeholders. Clearly, the revised Draft Regulations address a number of common concerns of water agencies across the State; however, after reviewing the revised Draft Regulations and Conservation Standard/Tiers Table, we still have serious concerns with the framework as proposed.

1. While the methodology for calculating the conservation standard has been revised to address disparities in reduction requirements between agencies that have similar levels of water consumption, it still punishes those who have conserved and rewards those who have not. As noted in our previous letter, the District's per capita water use has declined by 34 percent since 1990 and 23 percent since 2007. The District's residential per capita water use has declined by 23% from 2007 levels as well.

State Board staff has proposed a conservation standard of 24% (a 4% increase from the Conservation Standard/Tier Table released on April 7, 2015) for our District. This means that our customers are being asked to reduce their consumption by <u>41 percent</u> from 2007 levels. By setting the baseline for conservation at 2013 levels, the proposed framework still punishes those who have conserved, like the District's customers, and does not do an adequate job of recognizing long-term sustained conservation, as suggested in the Fact Sheet.

Just because agencies have similar levels of water consumption doesn't mean that they have achieved similar levels of conservation. To be equitable, the draft regulation needs to give credit for conservation levels already achieved. An agency should be able to be placed in a lower conservation tier if they have achieved significant reduction in consumption prior to 2013.

2. The conservation standard is applicable to all municipal and industrial customers, yet the conservation standard is based only on residential gallons per capita per day water use. If the standard is going to apply to all municipal and industrial customers, the basis of that standard should take into consideration—namely, total gallons per capita per day water use. This is the same data that water

agencies are using to track their compliance with 20X2020 targets for 2015 and 2020 and should be able to be supplied by water agencies to the State Board just like the residential gallons per capita per day water use figure.

3. The draft regulation describes two situations (water production for commercial agriculture and reserve surface water supplies) where water suppliers could request to modify their total use or be placed into a lower water tier. We suggest that the situations be expanded to take into consideration water agency investments in water supply reliability projects, such as recycled water and desalinated water. To be equitable, the ratepayers in San Diego County (including those in our service territory) who have funded water supply reliability projects, such as the Carlsbad Desalination Project, should be able to receive the same consideration as those with a reserve supply of local surface water.

The draft regulation states that "urban water suppliers that have a reserve supply of surface water that could last multiple years may be eligible for placement into a lower conservation tier." <u>How could there possibly</u> be a larger reserve supply of surface water that can last indefinitely than the Pacific Ocean? Under your criteria, this would enable all agencies, such as ourselves, served by the Carlsbad Desalination Project to be placed in a lower tier. It is illogical that our district's local surface water reservoir, located 40 miles away, is eligible for inclusion as an alternate supply but that this other local surface water reservoir, located 5 miles away (and much less affected by climatological, hydrological, and geographical concerns), is not.

- 4. As noted in our previous comments, a better approach still may be to continue to focus on severely reducing discretionary outdoor water use. This could be accomplished by establishing stricter statewide landscape restrictions taking into consideration differing climates. This approach achieves immediate savings and helps protect the economy by focusing on lower priority uses of water statewide.
- 5. As a final comment, the methodology contained in the regulations has resulted in tremendous confusion among the public and has made the State and the water industry look disorganized. Our 125,000 customers have seen the Governor declare a 25% cutback level for all Californians, and then the State Board develop a sliding scale that has so far given our District 20% and 24% cutback numbers. Combine that with the 15% and projected 10% cutbacks from our wholesale suppliers, the potential regional "collective conservation standard" proposed in your revised regulations, and the fact that as a retail water agency our drought response levels contain even different numbers, and <u>our customers are looking at seven different cutback percentage numbers that are being discussed</u>. The different regulatory framework tiers are pitting agencies against each other, with contiguous agencies facing a wide range of different mandated cutbacks. The collective conservation numbers that the customers in one agency have already been given much lower conservation numbers that the customers next door. Simple and common messaging is extremely important in a circumstance such as the current drought.

We appreciate the opportunity to provide input on the Draft Regulations and hope the State Board takes our comments into consideration when developing the final framework. Please feel free to contact me with any questions that you may have regarding our comments.

Regards,

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Roy A. Coox General Manager *A public agency serving the city of Vista and portions of San Marcos, Escondido, Oceanside and San Diego County*