From:	Greg Thomas
To:	Marcus, Felicia@Waterboards; Cowin, Mark@DWR
Cc:	DWR Water Use Efficiency; commentletters; mstapleton@sdcwa.org; Howard, Tom@Waterboards; Tim Quinn; Dave Bolland (DaveB@acwa.com); James Peifer (jpeifer@cityofsacramento.org); Yamada, Robert; dfriehauf@sdcwa.org; Spivy-Weber, Frances@Waterboards; Dadamo, Dorene@Waterboards; Doduc, Tam@Waterboards; Moore, Steven@Waterboards; Ekdahl, Erik@Waterboards; Brostrom, Peter@DWR; mmuir@sdcwa.org; David Drake; tom.stinson@asm.ca.gov; assemblymember.waldron@assembly.ca.gov; assemblymember.maienschein@assembly.ca.gov; speaker.atkins@assembly.ca.gov; senator.anderson@senate.ca.gov; Wanda Cassidy; Kim Thorner (kthorner@olivenhain.com)
Subject:	Comment Letter on Long Term Water USe Efficiency Standards
Date:	Wednesday, October 19, 2016 8:40:25 AM
Attachments:	Rincon Water Comment Letter LT WUE UAG.pdf

Dear Chair Marcus and Director Cowin,

On behalf of the Board of Directors of the Rincon del Diablo Municipal Water District, please find attached our comment letter on the Long Term Water Use Efficiency Standards being proposed in response to Executive Order B-37-16. We appreciate the opportunity to provide these comments and look forward to working with the UAG and your staffs on developing equitable long term standards.

Very Respectfully,

Greg

Greg Thomas
General Manager
Phone 760-745-5522
gthomas@rinconwater.org

Board of Directors
David A. Drake, President
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James B. Murtland, Treasurer
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Rincon del Diablo Water

A Public Agency Serving the Greater Escondido Valley Since 1954

General Manager
Greg Thomas
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Wanda Cassidy
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October 18, 2016

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

The Honorable Mark Cowin, Director
California Department of Water Resources
P.O. Box 942836, Room 1115-1
Sacramento, CA 94236-0001

VIA EMAIL: WUE@water.ca.gov; commentletters@waterboards.ca.gov

Re: Comment Letter – Comments on Current State Agency Draft Response to Executive Order B-37-16

Dear Chair Marcus and Director Cowin:

Thank you for hosting the recent Long Term Water Use Efficiency Workshops and Urban Advisory Group meetings. Rincon del Diablo Municipal Water District (Rincon Water) wishes to express our appreciation for the extensive opportunities to understand and provide comments on the State's proposed implementation and we have provided substantial feedback. We are committed to helping define a successful framework to help California prepare for and respond to future droughts, and to improve the long-term efficiency of water use.

Rincon Water is proud of its efforts over the last 10 years in conservation and creation of "drought tolerant supplies," whether alone or in concert with neighboring agencies or our regional wholesale supplier. Rincon Water converted cooling towers and irrigated lands from potable to recycled water from 2008-2012, cutting total potable use by 30 percent. In addition, the District reduced consumption by 29 percent, as compared to 2013, cumulatively from June 2016 through September 2016, even with the zero conservation mandate recently approved by the SWRCB. We continue to promote conservation and efficient use of water resources, and continue to invest heavily in alternate, drought proof sources of supply.

The following general comments and recommendations are provided:

- The proposed complex, long term water use target framework released, and given the four proposed "target" areas have significant impacts to retail agencies and the

recovering economy, potential exists to strand past investment in local supplies and hamper the development of future local, sustainable supplies.

- We strongly recommend to proceed with caution to allow adequate time to evaluate results from the studies currently being conducted by DWR on indoor and outdoor standards and the pilot testing. The proposed framework should provide a broad policy outline on the approach to calculating the new targets, with details to be determined based on the studies and testing.

- It was stated by the State that the proposed standards be customized to the unique conditions of each water agency and generate more statewide water savings, however, the State is once again proposing a one-size-fits-all approach. What's proposed is not customizable and does not provide flexibility for water agencies and their unique customer bases and demographics. For instance, SBX7-7 allows four choices of implementation based on agency size and resources in order to achieve an overall 20 percent reduction in water use by 2020. Multiple methods allow water agencies the ability to choose the option best suited to its community and agency resources to achieve compliance. Rincon Water, and many other agencies, have met and exceeded our SBX7-7 goals (several years early), so if any further conservation adjustment is necessary, <u>it should be based on similar quantifiable metrics and methods included in SBX7-7</u>, such as 30 percent by 2030 (or 10 percent more than 2020 goal). As noted in the second paragraph of this letter, Rincon Water is maintaining above 25 percent conservation savings as compared to 2013, and significantly more than the 2008-2012 timeframe.
- The proposed targets and standards place thousands of local and regional elected officials in a precarious position. By imposing very restrictive standards for indoor, outdoor, and CII water use, without a reason, a problem or a goal, it will be very difficult to sell to and get buy-in from the public. Enforcing water efficiency by blunt force (fines, prosecution, etc.) will not be politically sustainable at the state or local level. The state needs to articulate what the problem is and what needs to be achieved to solve the problem. **Communication, implementation and outreach all require time** in order to be effective and gain public acceptance. Developing and defining what the specific issue is and what needs to be solved take time, as well as majority of agencies do not have the resources to implement the proposed targets and methods being proposed. It is recommended that no specific actions be taken until at least 2025 while the plethora of issues are properly worked out.
- Last, there seems to be a significant focus on the 5 percent of the total water usage in the state, that being residential. The targets and methods being proposed inadequately addresses the CII class, but there is no discussion on agriculture and environment, which are the largest consumers of this commodity. It is recommended that there be worthwhile discussion on the entire state water system and users, versus a singular invasive focus on residential customers. If the focus of the long term water use

efficiency is to reduce population growth, then that discussion needs to also be had, versus a veiled attempt at social engineering on the backs of retail water agencies.

In regards to specific items in the State staff proposal, the following comments and recommendations are provided:

1. **Water Use Efficiency Background**
   a. Water budgets based on the four target areas identified in the draft standards, and as noted above, tracking and managing these are not feasible for all agencies, and will require significant outlay of resources (people and money) that many agencies are not prepared to absorb. It was stated by SWRCB staff that there was no intent to force agencies to adopt the water budget methodology, yet everything proposed by the state requires this format be used to validate, verify and manage the process.
   b. Recycled water use should be subtracted from total production. There has been significant effort and funds expended in association with the use of recycled water and offsets to potable demands, and there are many more recycled water projects in the works. By not providing credit for this resource, assets will become stranded and efforts to continue the development of this resource will be destroyed, especially as agencies look to future IPR and DPR as a means to significantly reduce the flow of treated sewage through outfall flows to the ocean or streams. It should be noted that legislation is being proposed to do this very thing, cease flows of sewage through ocean outfalls and require water agencies recycle all sewage. The proposed standards would be counteractive to this effort.
   c. There was no discussion on whether regional targets would be allowed, which they should be. In addition, retail and wholesale agencies conducted a "stress test" on water supply availability for the next 3 years and majority of agencies verified that they had adequate supplies to meet demands during this period. If agencies can verify they have enough long term supplies to meet demands, then the proposed standards should not apply.
   d. There has been no discussion or inclusion for agricultural credits. Many retail agencies have agricultural customers, yet nothing has been identified for this class of customers.
   e. There has been no discussion on wholesale or state level efforts related to conservation, as well as what the state is doing to address critical storage issues and overall water management. These need to be included in defining the issues and what solutions are presented to help alleviate the alleged problem.
   f. SWRCB staff stated that if no significant rainfall occurs by the end of 2016, the emergency regulations will remain in effect through 2017. This may be premature, as the water year starts on October 1st and majority of rainfall occurs in the January to April months. Additionally, retail and wholesale agencies validated supplies for the next three years to alleviate any concerns with a less than average water year, so please

define what the regulations would have on agencies, given passing the state "stress test."

2. **Proposed Framework for Indoor Residential Standards**
   a. Starting point for calculating indoor GPCD? Though we do not agree with the overall methodology being proposed, given lack of adequate baseline and metrics, to answer the question of a starting point for GPCD, we could support using existing SBX7-7 standard of 55 GPCD.
   b. We further concur with revising indoor GPCD based only on future studies and codes, such as those future plumbing codes related to toilets and clothes washers that would reduce indoor GPCD by 6 GPCD in 2030 and 8 GPCD by 2040. Additionally, discussions are necessary to address and develop credits and variances related to medical issues, large animals on property, home-based businesses, etc.
   c. There are concerns that a significant reduction in indoor GPCD will also have a negative impact on wastewater systems and future recycled water and IPR/DPR. Many agencies have invested heavily in recycled water and have IPR/DPR projects on the books for the near future. Significant reduction on sewage flows will greatly impact these projects and efforts to develop long term, sustainable water sources.

3. **Proposed Framework for Outdoor Landscape Standards**
   a. As stated earlier, Rincon Water is not supportive of agency-wide water budgets for landscape (and other areas), as this would be a resource intensive requirement for agencies to convert to this method, adjust entire rate structures, and then manage the ongoing variances year after year.
   b. There is considerable work to do relative to the formulas associated with the Model Water Efficient Landscape Ordinance and how various ETAF are applied for current and past years. It was presented that DWR will implement a pilot program in fall 2016 or spring 2017 with 30 water suppliers to test calculations and no actions should be taken until full pilot testing results are collected and fully vetted with all retail agencies. The proposed formula is also unwieldy and difficult to manage, given the various ETAF's being proposed. Recommend as more studies and data is collected, that if an ETAF is used, anything before 2021 be given one value and then adjust values after this date. In addition, retail agencies must have adequate time to validate the data/information provided by DWR to make certain full credit is granted for landscaped area assessments if this method is adopted.
      i. We appreciate that the State and DWR will utilize Irrigable area for their calculations. This is more representative of the real requirements. In regards to dedicated CII landscape meters, we are concerned that requiring mixed meters to be separated into indoor and landscape meters, ***an exorbitant cost that would be levied on CII customers to add additional meters, especially given that this is***

measuring a relatively small percentage of the total outdoor landscape environment, thus minimal return on investment.

4. **Proposed Framework for Water Loss Standards**
   a. SB 555 requires urban agencies report water loss by October 2017. This reporting is based on standards that are already established by AWWA and accepted industry wide. The water loss is also reported to DWR through the Urban Water Management Plan and the associated Demand Management Measure. Rincon Water believes there is no need to develop *additional* new rules and formulas, as SB555 and UWMP already require this. The industry strives for under ten percent, and Rincon Water is proud to report approximately three percent total water loss (from both known and unknown sources). Instead, give retail and wholesale agencies a percentage target and based on that, allow the agencies to develop plans to get there. This is an expensive process, as it will require significant monetary investment, and the agencies are the only ones best positioned to make those rate related decisions – unless the State is willing to provide all agencies grant funding to address these requirements. Rincon Water has also invested heavily in Automatic Meter Infrastructure (AMI) to help detect leaks and quickly resolve them. Rincon Water has identified over 1,100 leaks in our District for rapid client resolution. This has provided significant water savings and improves customer satisfaction.

5. **Proposed Framework for CII Standards**
   a. The state has proffered three proposed approaches, and based on discussions at the workshops, and obvious from even the Governor's Executive Orders and Emergency Drought Orders, the legislature and leadership are very hesitant to affect CII and the economic impacts and revenues CII provides the state. Although agencies provide assistance in several areas, predominantly through water audits and assistance with landscape and internal conservation measures, as well as some process related reviews, the majority of agencies are not experts in specific process water requirements, such as those of light and heavy industry, computer/chip manufacturing, craft beer, etc. Given the expansive number of CII customers, whether large, medium or small, this area requires considerably more dialogue and study on the economic impacts before any standards should be developed or adopted. Rincon Water recommends the engagement with specific industry-related trade groups to greatly facilitate the development of proper standards per industry and size. Commercial water users don't intentionally waste water, but rather must identify and fund process improvements. We may need tax credits, incentives and other financial support to encourage legitimate commercial water savings.

Thank you for the opportunity to provide these comments and recommendations to this very important issue. If you have any further comments, please contact our General Manager, Greg Thomas, at 760-745-5522.

Sincerely,

David A. Drake
President, Board of Directors

cc: Rincon Water Board of Directors
Wade Crowfoot, Deputy Cabinet Secretary, Office of Governor Edmund G. Brown, Jr.
Assemblywoman Marie Waldron
Assemblyman Brian Maienschein
Assemblywoman Toni Atkins
Senator Joel Anderson
Mark Muir, Board Chairman, San Diego County Water Authority
Maureen Stapleton, General Manager, San Diego County Water Authority
Tom Howard, Executive Director, State Water Resources Control Board
Tim Quinn, Executive Director, Association of California Water Agencies
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