

VIA ELECTRONIC MAIL

May 16, 2016

Honorable Felicia Marcus, Chair
and Members of the State Water Resources Control Board
c/o Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

commentletters@waterboards.ca.gov

Re: Proposed Emergency Regulation to Implement Executive Order B-37-16

Dear Chair Marcus and Members of the Board:

California Water Association (“CWA”) submits the following comments on the proposed Emergency Regulation issued by the State Water Resources Control Board (“State Water Board”) on Monday, May 9, 2016. CWA is a statewide association that represents the interests of 108 investor-owned water utilities (“IOUs”) that are subject to the jurisdiction of the California Public Utilities Commission (“CPUC”). CWA has been an active participant in the development of the four previous iterations of State Water Board drought response regulation, and most recently commented on the proposed Extended Emergency Regulation that took effect on February 2, 2016.

CWA takes this further opportunity to provide input on the newly issued proposed Emergency Regulation, which, if adopted by the State Water Board on May 18, 2016, would replace the existing mandatory conservation standards developed by the state, with the option to pursue a process for establishing standards developed to better account for local conditions.

CWA agrees with the State Water Board that less serious drought conditions in parts of California and the successful statewide water conservation efforts during the past year call for an updated water conservation strategy. CWA is pleased that the State Water Board’s proposed Emergency Regulation for the June 2016 through January 2017 time period would create a path for water suppliers to develop and implement conservation standards better tailored to their unique water supply and demand conditions.

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Conservation standards should be responsive to local circumstances, as well as current hydrological conditions in order to minimize further drought “fatigue” among water utility customers. Giving water suppliers the option either to follow the proposed Emergency Regulation’s self-certification procedures or to continue current state-developed standards offers optimum flexibility for adopting appropriate conservation goals. Without qualifying support of the proposed Emergency Regulation, CWA offers the following additional comments and observations:

Collaboration and Communication. Section 864.5(e) of the proposed Emergency Regulation specifies that “[e]ach urban water wholesaler shall calculate, to the best of its ability, and no later than June 8, 2016, the volume of water that it expects it would deliver to each urban water supplier in each of the three years,” under the specified assumptions. The proposed Emergency Regulation then directs each urban water wholesaler to post its calculations and accompanying analysis to a publicly-available webpage. In order for each water supplier to complete the proposed self-certification process, many will need to review and incorporate applicable wholesaler information in its submission.

CWA is concerned that the mere posting of the information by the wholesalers on a “publicly-available webpage” is inadequate to ensuring that the water suppliers receive this necessary data. While many wholesalers and suppliers enjoy constructive working relationships and will not need to be directed to cooperate, CWA suggests that the State Water Board encourage collaboration and communication between water wholesalers and water suppliers by including a statement to that effect in State Water Board’s guidance accompanying the proposed Emergency Regulation.

Maintaining Progress in Water Conservation. In CWA’s view, it is essential that the momentum favoring the state’s water conservation ethic is maintained, even if precipitation, reservoir capacities and snowpack conditions have returned to normal in certain regions of the state. For this reason, CWA supports the retention of the existing schedule of per-utility conservation standards as a demand-based option, in addition to the new supply-based self-certification option.

In recognition of the need for continued efforts to conserve, on May 10, 2016, the Board of Directors of the Metropolitan Water District of Southern California (“Metropolitan”) voted to sustain a water supply alert in its service area. CWA agrees with the impetus behind Metropolitan’s action and suggests that the State Water Board may reasonably address the need for continued momentum on conservation in the proposed Emergency Regulation. The State Water Board could, for example, adopt a “conservation floor” that water suppliers can continue to promote to their customers. CWA notes that such a floor could be tied to the lowest residential gallons per capita per day (R-GPCD) tier in the existing Emergency Regulation, or 8 percent (regardless of the R-GPCD level). Adopting a minimum conservation floor would be one way to send the message to water users to maintain good water-use practices, even if hydrologic conditions continue to improve.

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Source of Supply for Multi-System Urban Suppliers. Section 864.5, subsection (a) (2) of the proposed Emergency Regulation indicates that the State Water Board will provide a form to suppliers that must be filled out with the data relied upon by the supplier to determine its conservation standard. The data that must be provided includes “identification of each source of supply the supplier intends to rely on and the quantity of water available under that source of supply given the assumptions of this section.” For multi-system urban suppliers, a number of which are investor-owned water utilities, wholesale supply is allocated to the water utility in aggregate, which it then utilizes pursuant to its customers’ needs in its applicable systems in various locations at multiple connection points.

Further, groundwater rights in many basins are allocated to the utility as a whole and not to a particular system or to an individual well. Without knowing the specifics as to the format and content of the self-certification form that an urban water supplier will be required to submit, CWA is unable to give specific feedback on how to address these issues. However, CWA requests that the self-certification form account for these distinctions, as a complete and accurate supplier submission will be critical to compliance with the proposed Emergency Regulation.

Supply Site Security. Section 864.5, subsection (a)(2) of the proposed Emergency Regulation indicates that the State Water Board will provide suppliers with a form that must be filled out with the data relied upon by the supplier to determine its conservation standard. These data points must include “identification of each source of supply the supplier intends to rely on and the quantity of water available under that source of supply given the assumptions of this section.” Out of concern for the security of water supply facilities and utility employees, CWA encourages the State Water Board to format the form in such a way as to allow the water utilities to aggregate their local sources of like supply along the lines of the example provided in the Fact Sheet issued by the State Water Board as a companion to the proposed Emergency Regulation.

Improved Water System Management. The Governor’s Executive Order B-37-16 directs the California Public Utilities Commission (CPUC) to order investor-owned water utilities to accelerate work to minimize leaks. CWA is pleased to note that the CPUC is doing just that in Phase II of its ongoing Water-Energy Nexus Order Instituting Rulemaking (R.13-12-011). In this proceeding, CWA had requested that the CPUC expedite the deployment of Advanced Metering Infrastructure (AMI) for the expressed purpose of providing customers with real-time information on their water use so that they could more readily comply with the mandatory water-use reductions, identify leaks quickly, and be able to address them promptly. The CPUC accepted CWA’s request, held two workshops on the issue and has a proposed decision before the parties in the proceeding that expedites an AMI pilot program in partnership with their respective energy utilities. CWA is gratified that the Commission already had in place a policy rulemaking that is responsive to this aspect of Executive Order B-37-16.

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CWA believes that drought response regulation must closely track local circumstances and hydrological conditions in order to promote conservation effectively. This latest iteration of the State Water Board's Emergency Regulation is on target in this regard. CWA commends the State Water Board for moving to the more flexible, tailored approach embodied in the proposed Emergency Regulation and appreciates the opportunity to provide these comments in support of its adoption and implementation.

Sincerely,



Jack Hawks

Executive Director, California Water Association

cc: Hon. Catherine J.K. Sandoval, Commissioner, California Public Utilities Commission
Wade Crowfoot, Deputy Cabinet Secretary, Office of Governor Edmund G. Brown, Jr.
Tom Howard, Executive Director, State Water Resources Control Board
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