



CALIFORNIA WATER SERVICE

1720 North First Street
San Jose, CA 95112-4598 *Tel:* (408) 367-8200

May 13, 2016

Felicia Marcus, Chair
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Submitted via email: commentletters@waterboards.ca.gov

Subject: May 18, 2106 Board Meeting (Conservation Extended Emergency Regulation)

Dear Chair Marcus and Members of the State Water Resources Control Board:

California Water Service (Cal Water) appreciates the opportunity to provide comments on the Proposed Extended Emergency Regulation for Urban Water Conservation (Proposed Regulation). We also thank the State Water Resources Control Board's (Board) for its ongoing leadership during this historic drought.

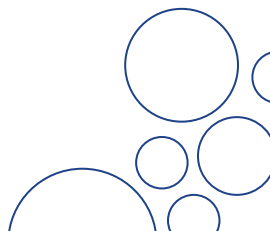
Cal Water is the largest water utility regulated by the California Public Utilities Commission, providing service to about 2 million Californians through 500,000 service connections. In response to the drought, Cal Water implemented an aggressive Drought Response Plan that included the use of individualized monthly water budgets for each of our customers and expanded our industry-leading water conservation programs, which include everything from educational offerings such as drought-tolerant landscaping classes to rebates for high-efficiency appliances.

Our comments focus on two elements of the Proposed Regulation:

- Establishing a conservation floor under the self-certification conservation standards; and
- Including a limitation on the serving of drinking water other than upon request in eating and drinking establishments.

Self-Certification of Supply Reliability & A Conservation Floor

The Proposed Regulation represents a significant shift from utilizing conservation standards developed by the State to standards based upon local water supply conditions and the unique circumstances of each water supplier. Cal Water continues to support efforts that take local conditions into account in the establishment of conservation standards, and the Proposed





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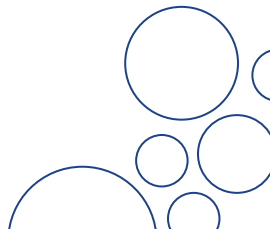
Regulation make this a reality. However, we do believe that it is prudent to, simultaneously, establish a conservation floor, or a minimum conservation standard, water suppliers would continue to have to achieve under the self-certification conservation standards.

While recent rains have brought some relief to the State, the May 3, 2016 Drought Monitor shows that over 49 percent of California still faces extreme or exceptional drought and estimates that more than 34 million Californians continue to live in drought conditions. Likewise, there is a distinct possibility that the State will face an exceptionally dry winter, negatively impacting current improvements to water supply conditions. Given this, we think that it is appropriate for the Proposed Regulation to work to lock in at least some of the outstanding conservation efforts that have already been achieved across the State.

As currently written, the self-certification option in the Proposed Regulation could result in a significant number of water suppliers having an extremely low conservation standard, with a substantial number approaching a standard of zero percent. Regardless of improved local supply conditions, this seems to be the wrong message for any water supplier to send to its customers. Perhaps more importantly, if California does experience an extremely dry winter, necessitating the re-imposition of strict conservation standards, the customers of some water suppliers could experience going from, for example, a 36-percent conservation standard, to zero, and back to 36 percent within eight months. Lurching between conservation standards is confusing and unlikely to instill confidence in the process.

Furthermore, Governor Brown's recent Executive Order (B-37-16) calls upon the Board and the Department of Water Resources to develop new water use targets that build upon and strengthen the water use targets established by the State's historic 20 x 2020 legislation. In light of this, it seems appropriate to establish a bridge between the current environment and those revised targets, which will help smooth the transition and further the State's overall effort to make conservation a way of life.

We suggest that the Proposed Regulation include a conservation floor for any water supplier choosing the self-certification option. Specifically, we propose a conservation floor of 10 percent below the water supplier's total water production for each month as compared to the amount used in the same month in 2013. Water suppliers with existing conservation standards at or below 9 percent could simply continue to operate under the regulations already in place. Such a conservation floor is optimal as it affords nearly all of the State's water suppliers (i.e. each supplier that has an existing conservation standard greater than 9 percent) the flexibility to significantly lower their respective conservation standards based on local supply conditions while ensuring they maintain at least a portion of the conservation gains achieved over the last year.





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Limitations on the Serving of Drinking Water in Eating & Drinking Establishments

The Proposed Regulation would remove the current prohibition on the serving of drinking water other than upon request in eating or drinking establishments. We believe that this restriction should remain in place. In order to achieve the goal of making water conservation a way of life in California, each of us needs to view water as the truly precious and limited resource that it is. Asking that patrons of restaurants and other establishments simply ask for a glass of drinking water should they desire it is a small but impactful daily reminder of the value of water and that it should not be wasted, as may occur when patrons do not drink water that is automatically served to them.

Again, Cal Water commends you for your work to develop thoughtful drought response policies, and we appreciate the opportunity to provide our feedback. If we can be of assistance, please do not hesitate to get in touch with us.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Dean", with a long horizontal flourish extending to the right.

Shannon Dean

Vice President, Corporate Communications & Community Affairs

Cc: Commissioner Catherine J.K. Sandoval, California Public Utilities Commission
Ms. Jamie Ormond, Water & Legal Advisor to Commissioner Sandoval
Mr. Rami S. Kahlon, CPUC Director, Division of Water & Audits

