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Date: 5/28/2009 2:02 PM

Subject: Comments on the Draft 2009 California 20x2020 Water Conservation Plan

Pacific Energy Policy Center

Comments on the Draft 2009 California 20x2020 Water Conservation Plan

Thank you for this opportunity to comment on the draft "20x2020 Water Conservation Plan."

The Pacific Energy Policy Center (PEPC) was created in 2004 to address regional energy and related water issues. We are concerned with water issues because almost 20% of the energy produced in California is used to import, treat and distribute water around the state. PEPC is not affiliated with the Bay Areas Pacific Institute, which focuses primarily on water issues, but we admire the work done by that organization. These initial comments are based on a first scan of the draft water plan update, and may be supplemented after further more detailed review of the documents. These initial comments focus on water ratemaking, recycling opportunities and local water agency governance issues.

The state water agency, MET and SDCWA should work with local water agencies to rationalize local water ratemaking

In San Diego County, 24 different water districts and agencies are trying to respond to the growing water supply shortage by designing new water rates and water rationing plans. This is resulting in a crazy quilt system where customers living within blocks of each other being subjected to vastly different water rate structures and water use rules. We believe that DWR, MET and SDCWA should take more aggressive roles in working with local water agencies and districts in the development of new water rates and useage rules aimed at helping customers use water more efficiently.

We believe that all local water agencies and districts should adopt new rates that help their customers address their water needs in the most efficient manner possible. This would include the adopting of tiered water rates for all customer classes, with substantial costs differences (at least 15%) between each water useage tier. We believe this kind of rate structure is needed to offer all customers an opportunity to pay lower unit costs for their water is they use it more efficiently, and to penalize water hogs who refuse to limit their water consumption.

We also believe that DWR should work with MET and SDCWA to convince local water agencies to adopt net zero water demand policies and offset fees for new construction projects, to ensure that new development continues in a manner that will not increase net demand on local water systems. This can be done by adopting new construction water hook up policies and fees that require that all new construction projects be designed to be as water efficient as possible, and charge capacity and system connection charges sufficient to purchase new water supplies adequate to fully offset the additional demand created by new construction projects, or to allow local agencies to install water conservation measures in existing customers facilities to fully offset the new demand created by new development projects.

The Smart Community Development Act (AB 1408 - Krekorian) http://org2.democracyinaction.org/dia/track.jsp?v=2&c=hkt%2FfVwyACeMXxoCorZoLqQqC2K1fyy%2B>, currently being considered in the state legislature would address this goal and It's passage should be supported by DWR. AB 1408 provides a mechanism to allow communities to accommodate growth without increasing water demands on shrinking water supplies.

We also believe that DWR, MET and SDCWA should encourage local water districts and agencies to pursue indirect potable wastewater repurification

and reuse (IPR) to reduce their demand on the Colorado River and Delta water systems as our state population grows. Today we have the technology to repurify millions of gallons of water a day and reuse that water via our existing water distribution systems, instead of simply flushing all that reusable water into the ocean.

The City of San Diego Water Department is developing an IPR pilot project to demonstrate the viability of repurifying local wastewater at it's North City Water Treatment Plant, then pumping the repurified water up to an expanded San Vincente Reservoir. After mixing with raw Colorado River water for a year or more, this water would be recycled through the existing city water treatment and distribution system to customers, avoiding the cost of creating a systemwide "purple pipe" system needed to distribute partially treated recycled water typically uses for landscape irrigation purposes. Extensive City Water Department studies have shown that this kind of wastewater repurification and redistribution would provide the city with a substantial new locally owned water supply while saving the city many millions of dollars needed to build out a systemwide duplicate purple pipe distribution system.

This kind of aggressive local water repurification and recycling should be encourage by DWR, since it would reduce pressure on the state to find and move even more water from the dwindling supplies available from the Colorado River and the Delta system to southern California.

The Ocean Discharge Recycling Plan (SB 565)

<http://org2.democracyinaction.org/dia/track.jsp?v=2&c=o4stxPB6S56So%2F5GNhN appb7qstmeLk3>, currently pending in the California Legislature, would provide a valuable framework for specific actions that can be included in the water plan. SB 565 (Pavley) sets an aggressive directive to increase recycled water production and use in the state by directing the State Water Resources Control Board to develop a plan to ensure that at least 50% of the wastewater currently discharged into the ocean will be recycled and put to use by 2030.

Regional and Local Water Agency Governance Issues should be addressed in the updated Water Plan

One key subject we'd like to see addressed in the water plan update is regional and local water agency governance.

While the State has one Department of Water Resources (DWR) covering the whole state, at the subagency level, there is often no rhyme or reason for the existing plethora of regional and local water districts and agencies.

Many of these districts and agencies were created as real estate developers, unable to win approval of system connections for proposed new development projects from the existing local water agency, simply funded political pressure for the foundation of new water districts, and packed the new agencies boards of directors with their own people, who then approved the provision of water services to new sprawl developments that otherwise would never have been approved.

Today, this has resulted in a crazy quilt of local districts and agencies that makes little apparent sense. For example the County of San Diego alone has 24 different water districts and agencies, all receiving service from the San Diego County Water Authority (SDCWA), which purchases water wholesale from the Metropolitan Water District (MET) and the Imperial Irrigation District (IID). Having this many duplicative local agencies substantially increases the cost of water to the end use customers, since each agency adds its own administrative costs to water as it passes though its system. A comprehensive statewide water plan should take a hard look at the current water district and agency structure and see if there are potential cost savings available by reducing the number of smaller agencies via consolidation and streamlining at the regional and local levels. This would also address the problem of water customers living in adjoining neighborhoods being subjected to different rules and water rates simply because they live in different water districts.

Thanks for this opportunity to comment on the draft state water plan update. We hope you find these comments useful.

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