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MEMORANDUM

To: Kathy Frevert, California Waterboard

From: Doug Culbert, Utility Superintendent, City of Fortuna

Subject: Comments on Proposed Regulatory Framework

Kathy,

Please see the comments provided by staff regarding the proposed regulatory framework in red below.

Sincerely,

Doug Culbert

Utility Superintendent

City of Fortuna

Comments on Proposed Regulatory Framework

Growth adjustment:

Stakeholder Proposal:

Each urban water supplier's 2013 baseline water use would be increased to account for growth in new service connections since 2013. The volume of water per connection in 2013 would be calculated (based on total use divided by number of connections) and multiplied by the number of connections added since 2013. This volume of water could be added to the 2013 baseline to account for new growth, resulting in a decrease to the supplier's conservation volume requirement but not its conservation standard.

The City of Fortuna supports this Stakeholder proposal as well as the Staff recommendation to provide provisions to adjust conservation standards to account for water efficient growth since 2013.

Groundwater Credits:

Stakeholder Proposal:

This set of proposals would provide credit for "sustainable" groundwater management and groundwater augmentation. Suppliers would provide verification that the groundwater supply is formally certified to meet certain eligibility requirements and then would be eligible to deduct certain groundwater use from their total potable production. In effect, the use of

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eligible groundwater would be counted the same as conserved water. There are four proposed credit scenarios: 1) Groundwater Banking; (2) Conjunctive Use; (3) "Sustainable" Groundwater Management; and (4) Adjudicated Basins. The proposals include requirements that would govern the use of the credits under each scenario.

The City of Fortuna supports this Stakeholder proposal to provide credit for sustainable groundwater management and groundwater augmentation. Some urban water users who utilize groundwater can show that the impact on the drought has been minimal if any. Definitely not to the extent to put regulations on the amount of water used from groundwater supplies. The City of Fortuna can show that groundwater levels have not changed considerably in more than 14 years which is inclusive of two major drought events.

Regional Compliance Approach:

Stakeholder Proposal:

This proposal would allow suppliers to jointly comply with their aggregated conservation standards as a single entity. Regions would be allowed to form, on a voluntary basis, based on the criteria for forming a SBx7-7 regional alliance, per Water Code Section 10608.28. A lead agency for the region would report the Regional Conservation Standard monthly to the State Water Board on behalf of the region. Each urban retail water supplier would also continue to report their individual monthly water use data. If a group as whole did not meet its regional conservation target, the suppliers would revert back to their individual requirements.

The City of Fortuna supports the Stakeholder proposal to jointly comply with conservation standards on a Regional level rather than an entire state level. The areas of the state that are not currently experiencing the same draught conditions as those in other parts of the state are held to the same conservation standard. Separating by region would require the higher use areas to be more accountable and the areas that are not in dire drought conditions would not be subject to the same conservation standards caused by these high usage regions. The regional approach would do more than help water suppliers provide a consistent message about regional targets but would prevent an area that is doing their part to conserve and/or not in draught conditions based on the sustainability of their respective water supplies from being subject to the same standards as those urban water users that are regularly out of compliance. The City of Fortuna feels that it is unfair to the northern part of the state, that has done more than their part in conserving water, to have their conservation expectations raised due to the non-compliance of other users.

Exemption for regions without drought conditions and no exports/imports:

Stakeholder Proposal:

This proposal would allow isolated hydrogeological regions that do not have drought conditions and do not import or export water to be excluded from the conservation standard element of the Emergency Regulation. Suppliers would apply to the State Water Board for an exemption

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from the conservation standard and provide verification that water resources in these regions are not available to benefit other regions.

The City of Fortuna supports this Stakeholder proposal for the same reasons mentioned in the previous proposal above regarding the Regional Compliance Approach.

Climate adjustment:

Stakeholder Proposal:

Water suppliers in warmer climates would be granted a reduced conservation standard based on their service area evapotranspiration (ET) relative to statewide average ET. The adjustments would be calculated by multiplying the deviation from average ET by the water supplier's conservation standard and would range from a 0-15 percentage point decrease to suppliers existing conservation requirement. As proposed, no supplier would have their standard increased.

The City of Fortuna does not agree that there should be climate adjustments but that warmer areas should have to conserve at the same regulated levels as the rest of the state. At this point the high usage from the southern part of the state is offsetting the extreme conservation shown by communities in the North. Unless the hydrological regions are established the entire state will continue with this trend and there will be little relief for the urban water users that are already conserving more than they should.

A Cap on Credits and Adjustments:

Staff recommends that all credits and adjustments be capped to allow up to a maximum of a four percentage point decrease to any individual water supplier's conservation standard (tier).

The City of Fortuna does not support this cap. Some suppliers may have provided outdated information in the original assessment, or found errors in calculations or had significant changes from the initial assessment and should be able to be placed in a tier that correctly relates to their current water consumption. If a water supplier is able to show the proof that they deserve to be in a tier greater than 4% lower than they are currently in, the state should be required to show reason for not lowering the standard greater than 4%.

Reassessment of Conservation Tiers

The City of Fortuna supports the reassessment of the conservation tiers prior to the upcoming summer season. Some suppliers may not have made the May 31st deadline for providing data in order to be considered for a lower tier than assigned by the state. Additionally, some suppliers may be able to show significant changes in their conservation measures and usage habits that have significantly reduced consumption