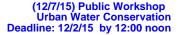
County of San Diego





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November 30, 2015

Ms. Jeanie Townsend, Clerk of the Board State Water Resources Control Board 1001 | Street, 24th Floor Sacramento, CA 95814

Re: Comment Letter-Urban Water Conservation Workshop

Dear Ms. Townsend:

The County of San Diego ("County") appreciates this opportunity to provide comments to the State Water Resources Control Board ("State Water Board") regarding potential modifications to the Emergency Regulations for Statewide Urban Water Conservation, 23 CCR § 863 et seq., should drought conditions persist through next year. The County is concerned that the State's singular focus on water purveyors to achieve a twenty-five percent reduction in potable urban water consumption as measured by certain months in 2013 misses an opportunity to achieve long-term water conservation by failing to make local government a partner. In prior comments to the regulations, the County proposed a credit system and exemption process to address the County's concerns about the lack of local government participation and the need to better account for regional variation. These comments were favorably received by the State Water Board, but ultimately were not implemented because of the need for immediate action. With more time now available, the County renews its prior requests.

<u>Credit System</u>: While not required by the State's regulations, the County on May 12, 2015 adopted a Drought Response Action Plan ("DRAP") and allocated \$14,748,000 to twenty separate projects to implement long-term water conservation at County facilities. Projects funded by the DRAP included plumbing retrofits at twenty-five road stations and in street medians, conversion of central plant cooling towers at County facilities to an advanced water savings technology, connection of landscaping at County facilities to available reclaimed water, and drought tolerant landscape installations. It is estimated that these projects will result in permanent potable water conservation at County facilities in excess of 78 million gallons a year (15% of 2013 use). In conjunction with other water conservation efforts, the County is currently using 30% less water at its facilities when comparing June-August 2015 against June-August 2013.

The actions taken by the County in response to the drought show what can be accomplished if local government partners with the State. The County remains concerned that local water purveyors that may have an overconcentration of high water use County facilities such as prisons, hospitals or court houses within their service area may find it difficult to meet State mandated water conservation targets. To encourage local government investment in water conservation and to help achieve the State's mandated water conservation goals, the County suggested that cities and counties be provided an opportunity to separately account for water conservation at their facilities using a credit system. The County's proposal would allow a local government to apply credits earned though water conservation at one facility to another facility where greater water conservation isn't possible. As long as the local government achieves an overall reduction in water consumption consistent with the State's conservation target, the local government would be deemed in compliance. Local governments electing to separately account for their facilities would have their water use removed from the local water purveyor's water consumption figures reported to the State.

The County remains convinced that utilizing a credit system to facilitate local government participation in the State's water conservation effort is critical to achieving meaningful, long-term water conservation. Under the current regulatory approach, water conservation targets are set for each water purveyor regardless of the government facilities it serves. Investments by local government in water conservation are effectively captured by the water purveyor. While this may work well where local government serves as the water purveyor, it can discourage water conservation by local governments with facilities served by independent water districts. Local government may have little incentive to invest in water conservation at a facility served by a water purveyor with a low conservation target even if substantial water conservation is readily attainable. Allowing local government to earn a credit from conserving water at a facility like this incentivizes water conservation by allowing the local government to capture and apply a credit to other facilities where water conservation isn't possible. This approach also helps ensure water purveyors aren't unfairly rewarded or penalized because of the local government facilities they just happen to serve.

Exemption Process: The State's regulations continue to look to 2013 as the base year from which to measure water conservation regardless of local conditions. Given the size and climatic diversity of the State it's possible for drought conditions to exist in one region of the State and cease in another. It's also possible that different regions in the State will be impacted differently by the long term effects of drought depending on the water supplies that they have developed. Potable water use may also be unexpectedly impacted by natural disasters such as fire or earthquake that result in increased potable water use or loss. The County remains concerned that without some meaningful way to account for regional variation or unexpected use, the State's regulations may unnecessarily hamper growth and be unreasonably punitive.

The San Diego County Water Authority ("Water Authority") and its member water agencies continue to make significant investments in water supply infrastructure to account for possible future droughts. In November 2012, the Water Authority approved a 30-year Water Purchase Agreement with Poseidon Water for up to 56,000 acre-feet of desalinated sea water per year from the Carlsbad Desalination Plant. The Water Authority estimates that this is enough water to serve up to 8% of the

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region's projected water demand in 2020. In 2014, the Water Authority completed the San Vicente Dam Raise project. The project added 152,000 acre-feet of capacity to the reservoir. Regional investments in water infrastructure to account for the impacts of future droughts should be accounted for in establishing water conservation targets.

Under the State's current approach, a water purveyor serving a growing community or industrial sector could find itself in violation of the State's mandated conservation target even if all new development is served by desalinated sea water. Some adjustment to the 2013 base year should be allowed in those regions that have made significant investments in drought-resistant water supply. This will allow for continued community and industrial sector growth where supported by regional investment in water supply. Without taking into consideration this investment, prolonged application of the State's conservation targets risks unreasonably hampering regional economic growth.

In addition, there is no mechanism in the State's regulations to adjust conservation targets to account for local circumstances. The regulations don't exempt increased potable water use as a result of fire, earth quake or other natural disaster. Similarly, there is no process provided to modify conservation targets to reflect local climatic conditions that may make use of 2013 as a base year unreasonable. The County continues to believe that an exemption process should be included in the State's regulations to allow a community to seek an adjustment of the water conservation targets to account for regional variation or unusual circumstances.

Thank you for giving the County an opportunity to provide these comments. If you have any questions or would like additional information on any portion of the County's response, please do not hesitate to contact me directly at (619) 531-4940 or April Heinze, Director, County Department of General Services at (858) 694-2527.

Sincerely,

DONALD F. STEUER

Assistant Chief Administrative Officer/Chief Operating Officer

cc: Helen Robbins-Meyer, Chief Administrative Officer April Heinze, General Services