



November 25, 2015

Jeanine Townsend, Clerk of the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



RE: Comment Letter – Urban Water Conservation Workshop

Dear State Water Resources Control Board:

On behalf of the San Diego Regional Chamber of Commerce (Chamber), I am writing to respectfully request you to amend the emergency regulations to recognize investment in drought-sustainable water supplies. With nearly 3,000 members representing 400,000 employees, the Chamber is dedicated to promoting a business-friendly environment and growing the local economy. The Chamber understands the importance of water supply, reliability, and cost and has identified it as our top public policy priority this year.

This is not the first time Californians have been asked to cut back on use of water. Here in San Diego, it is a top priority of the San Diego County Water Authority (SDCWA), our water retailers, our business community, and residents. The region has responded to droughts both by conserving and by diversifying sources including substantial investments in local, drought-resilient sources. The San Diego region's approach to improving water efficiency and new source development should be recognized as a model for other regions across the state. By amending the regulations to provide credits for new supply development, the State Water Resources Control Board can promote regional investment in drought-resilient supplies and better prepare the state for future droughts.

San Diego ratepayers are investing in a desalination plant that will produce potable water this year. The Chamber is also in support of the Pure Water program to bring water reuse to San Diego in the near future. If the regulations are not amended, potable reuse and desalination projects will have been proven to be of no benefit despite the investment made through increased rates. The required cutbacks have also resulted in water agencies having to increase the price of water even higher to pay their fixed expenses.

Providing credits for new supplies is consistent with the Governor's California Water Action Plan, and California law that encourage water agencies to develop new drought-resilient supplies. The requested modification would leverage

existing efforts to improve regional self-sufficiency and to reduce dependence upon the Bay Delta.

Investing in local drought-resilient sources is beneficial to us all. If the State Water Resources Control Board does not clearly send that message, wholesale and retail agencies across the state will respond to the reduced benefit by holding off on investing. Alternatively, by connecting conservation mandates to the development of sustainable, drought-resilient supplies, the regulation could incentivize investment in new supplies.

It is for these reasons that the Chamber supports amending the emergency regulations to recognize drought-sustainable water supplies. If you have any questions, please do not hesitate to contact Sean Karafin, Executive Director of Policy and Economic Research, at (619) 544-1352 or skarafin@sdchamber.org.

Sincerely,



Jerry Sanders
President & CEO
San Diego Regional Chamber of Commerce