

Life Works Here

San Diego Regional Economic Development Corporation

November 25, 2015



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

SUBJECT: Comment Letter - Urban Water Conservation Workshop

Dear Ms. Townsend:

Thank you for the opportunity to submit comments regarding potential changes to the Emergency Regulation for Statewide Urban Water Conservation to the State Water Resources Control Board. On behalf of the San Diego Regional Economic Development Corporation, we applaud the Board's efforts to achieve increased water conservation during drought conditions through the current Emergency Regulation.

However, the current regulation's focus on achieving the state's water reduction standards solely through conservation does not allow regional or local water agencies to realize the benefits of their investments in water supply reliability - investments in self-reliance that are consistent with Governor Brown's Water Action Plan. For example, here in San Diego County we have supported our water agencies as they have made billions of dollars in investments in developing a portfolio of sustainable water supplies specifically designed to make our region less vulnerable to droughts and devastating water supply cutbacks. However, the current regulations strip away the drought protections these supplies provide by not allowing the region to benefit from these investments. This approach threatens to discourage ratepayers from supporting future water supply investments, stunting California's ability to meet the needs of its growing population amid a changing and more challenging climate.

The imposition of demand reduction targets as the state's primary drought response places California at a competitive disadvantage in terms of business attraction and business expansion. Businesses are unlikely to relocate to, or expand their businesses in California under prolonged water use reduction mandates that ignore the availability of sustainable water supplies to meet our state's economic needs. These businesses and industries need to be convinced that the state is doing everything in its power to develop new and droughtresilient water supplies to serve their businesses. One of the things the state can do now is amend the regulation to provide credits for new supply development.

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The emergency regulation has also contributed to rising water rates for residents and businesses, as local water agencies are forced to meet their revenue requirements on lower sales. It also enhances the level of frustration of all ratepayers who are upset by the concept of "paying more for using less," which undermines public support for ongoing conservation and continued investment in sustainable water supplies and infrastructure.

It is critical to maximize the water reliability benefits of drought-resilient and sustainable water supplies, such as the Carlsbad Desalination Project, during drought conditions to help support California's economy and quality of life. That's why I support modifications to the Emergency Regulation to allow water agencies to meet reduction targets through a combination of conservation and sustainable drinking water supplies, such as desalination, potable reuse and long-term transfers of conserved water.

This balanced, more flexible approach to drought management will help save water now given our current supply challenge and better prepare California for future droughts.

Thank you for your time and consideration.

Sincerely,

Mark Cafferty President and CEO