



IRVINE RANCH WATER DISTRICT

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July 14, 2014

The Honorable Felicia Marcus
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

RE: Comments on Proposed SWRCB Emergency Urban Water Conservation Regulations

Dear Chair Marcus:

Thank you for the opportunity to provide comments for the State Water Resources Control Board's (SWRCB) consideration as it weighs adoption of the proposed emergency regulations related to urban water conservation and drought response. The Irvine Ranch Water District (IRWD) understands the importance of preserving California's water supplies, especially in times of drought, and has taken many steps over many years to encourage water use efficiency and the wise use of water including the implementation of innovative conservation measures. A key component of the District's efforts has been the use of allocation-based tiered rate structures (water-budget based rates), which discourage overuse while providing for significantly reduced outdoor water use through meaningfully tiered pricing for any inefficient water use.

Allocation-based tiered rate structures have also formed the foundation of IRWD's Water Shortage Contingency Plans (WSCP). The allocation-based tiered rate structure allows the District to quickly respond to limited supplies through strong price signals, which subsequently result in the greatest conservation response from its customers. IRWD's WSCP, which meets the State's requirements, uses the mechanism of an allocation-based rate structure at all drought levels, except in the most severe situation, to achieve necessary demand reductions. Because of this, only in the event of an extreme shortage, such as a system outage when supplies are only available for public health and safety needs, are mandatory outdoor water restrictions used to supplement the tightening of tiered pricing.

We understand the basis for the proposed regulations related to mandatory outdoor water restrictions is the desire to achieve a rapid reduction in water consumption. It is important to note that mandatory outdoor water restrictions are not the only method for achieving this result. The same UCLA study authored by Mini, Hogue, and Pincetl cited in the Emergency Regulations Digest as the basis for the use of mandatory restrictions also found that very strong pricing signals are an effective tool to reduce water use; this effectiveness is the basis for allocation/budget-based rates. We urge the SWRCB to give consideration to the use of allocation-based tiered rate structures, which target overuse and provide for a reduced outdoor water use allocation, in any adopted emergency drought-related regulations.

The proposed emergency regulations should be amended to allow agencies the option to use allocation-based tiered rates to gain the outdoor water savings sought by the proposed regulations as an alternative to implementing all of the requirements and actions of the stage in their WSCP that imposes mandatory restrictions on outdoor irrigation.

In addition to reducing water use and demand during times of shortage, the water demand reductions achieved through allocation-based tiered rate structures tend to grow over time and result in sustainable, long-term water use efficiency and conservation within a region. Since the implementation of an allocation-based rate structure in 1991, IRWD has experienced tremendous water use efficiency gains, and a sustained reduction in residential daily usage from 180 gallons per residential capita per day to 90 gallons per residential capita per day. IRWD also experienced a sustained reduction of 50% in outdoor water use following the initial adoption of the rate structure in 1991. Effective July 1, 2014, IRWD further tightened its tiers for over-allocation or excessive use to send an even stronger price signal to consumers and gain further demand reductions for potable water.

Allocation-based rate structures are a highly effective way to achieve sustained demand reductions without the need to impose mandatory restrictions, and we hope that the SWRCB will acknowledge this in the emergency regulations.

An approach to providing the flexibility for local water agencies to use their allocation-based tiered rate structures to gain the desired water savings would be to amend subsection (b) of Section X.2 in the following way.

Section X.2 (b) “To promote water conservation, each urban water supplier shall implement all requirements and actions of the earliest stage of its water shortage contingency plan that first permits the urban water supplier to impose ~~imposes~~ mandatory restrictions on outdoor irrigation, or shall implement another mandatory conservation measure or measures intended to achieve a reduction, comparable to the reduction specified in subdivision (c), in water consumption by the persons it serves relative to the amount consumed in 2013.”

The amendments suggested above also clarify which stage of its WSCP a water supplier is being asked to implement actions from in the event its WSCP has multiple stages that include mandatory outdoor irrigation restrictions. Further, the suggested language would allow an urban water supplier to implement the requirements and actions of an earlier stage in its WSCP if the WSCP included language in that earlier stage that allowed the urban water supplier the option to implement mandatory restrictions on outdoor irrigation.

We also offer the following comments for your consideration as the proposed regulations are considered at the SWRCB's July 15 meeting.

- 1) ***SWRCB emergency drought regulations should focus on potable water supplies and should not limit the use of recycled water.***

Implicit in the concept of reliability is the responsibility to develop an array of strategies to meet existing and future water needs. The District, like others throughout the state, has actively developed and made substantial investments in alternative local supplies, recycled water and water use efficiency in order to prepare for times of drought and limited imported water supplies. These efforts have not only allowed our agency to become more self-reliant, but have also aided the entire state by lessening the demand for imported water. During times of drought, the benefits of increased self-reliance continue to accrue to the state. A lower demand on the state's water supplies is a benefit for the entire state as it means those impaired supplies can go further.

One of the local supplies developed by the District has been recycled water. We have worked to expand the use of recycled water in our service area and throughout the state because we understand the important role

recycled water can play towards building a reliable water supply for all of California. Often, customers of recycled water are willing to switch from a potable water supply to a recycled water supply because recycled water is considered a more “drought-proof” water supply as the amount of recycled water produced by local agencies remains relatively constant even in times of drought.

The SWRCB’s action on Tuesday should reflect this understanding of recycled water, which if not used would need to be discharged without being put to beneficial use because the ability to store recycled water is limited. The proposed emergency regulations should be amended to clarify that they do not apply to recycled water use, and that urban water suppliers are not required to impose mandatory restrictions on outdoor irrigation using recycled water. To affect this, the proposed regulations should be amended in the following sections:

Section X: This section should be amended to include a finding that these regulations only relate to potable water use.

Section X.1 (3): The word “potable” should be added to subsection (3) before “water.” This would allow recycled water to continue to be used for dust control on roads and streets, and for cleaning roads, sidewalks, and outdoor work areas as permitted in Section 60307 of Title 22.

Section X.2: Language should be added after subsection (a) to clarify the applicability of Section X.2 to potable water supplies only. We would suggest adding “This section shall only apply to potable water supplies and shall not cause an urban water supplier to curtail non-potable water demand including implementation of mandatory restriction on outdoor irrigation using recycled water or other non-potable supplies.”

2) ***Section X.2 (d) of the emergency regulations should better reflect water use within an urban water supplier’s service area.***

Section X.2 requires an urban water supplier to provide a monthly monitoring report to the SWRCB of the amount of potable water the urban water supplier produced in the previous month. Included in this report is to be an estimate of the gallons of water per person per day used within the supplier’s service area. In some areas of the state, this number is skewed by industrial water demands. We would suggest that subsection (d) of Section X.2 be amended to require an urban water supplier to estimate the “gallons of water used for residential use per resident per day within its service area.” This will allow the SWRCB to better evaluate the effectiveness of the emergency regulations on outdoor water use.

We also ask the SWRCB to consider allowing each urban water supplier to state the number of residents it serves instead of the population, as the daytime and residential population numbers can vary greatly. For example, IRWD’s daytime population is approximately 500,000 while its resident population is 340,000. In the urban water setting, the emergency regulations will largely target residential water use and the monitoring report requirements should reflect this. The SWRCB may also want to include a way for urban water suppliers to update the number of people it serves as that number may change over the duration that the regulations are in affect.

We agree with the SWRCB that the management of any limited resource includes the practice of conservation, and understand the impacts the drought is having on the state. We have implemented aggressive water conservation programs with its core feature of pricing that rewards customers for conserving, and continue to promote conservation as a way of life. These programs result in water being conserved both locally and statewide through reductions in dependence on import water. These benefits are

Comments on Proposed SWRCB Emergency Urban Water Conservation Regulations

July 14, 2014

Page 4

realized in both wet and dry times. Water resource stewardship has been a hallmark of many agencies, and it is not an understatement to say that conservation is a way of life within our service area. The SWRCB emergency regulations should recognize and support these efforts and preserve the beneficial use of recycled water by giving local suppliers more flexibility and clarification in the regulations.

Thank you again for considering our comments on the proposed emergency regulations. Please do not hesitate to contact me at (949) 453-5590, or our Sacramento Advocate, Maureen O'Haren, at (916) 498-1900 if we can be of assistance to you or your staff.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul A. Cook', is written over a faint, illegible background.

Paul A. Cook
General Manager