

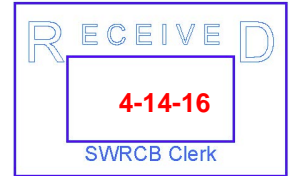
James Cioffi, President  
Joseph K. Stuart, Vice President  
Kristin Bloomer, Secretary-Treasurer  
Patricia G. Oygur, Director  
Craig A. Ewing, Director



Mark S. Krause, General Manager-Chief Engineer  
Best, Best & Krieger, General Counsel  
Krieger & Stewart, Consulting Engineers

Ms. Felicia Marcus, Chair  
State Water Resources Control Board

April 14, 2016



Dear Ms. Marcus,

Desert Water Agency (DWA) would like to thank the State Water Resources Control Board (State Water Board) for the opportunity to submit comments on forthcoming changes to the Extended Emergency Regulation for Urban Water Conservation (emergency regulation).

We applaud the Board's willingness to amend the emergency regulation in light of current water supply conditions, including a deeper snowpack and increased precipitation levels. It is clear that the Board has spent a great amount of time trying to amend the emergency regulation to address the needs of the state's many diverse water agencies. Desert Water Agency suggests that the Board consider:

- Reducing conservation targets regionally based on drought status
- Eliminating the four percent cap on the climate adjustment
- Allowing recycled water and groundwater management supply credits

#### **REDUCING TARGETS BASED ON REGIONAL DIFFERENCES IN PRECIPITATION, DROUGHT STATUS**

While we continue to remind our customers that the drought is still very serious, much of California is no longer facing an emergency that merits extreme restrictions. Given that as of April 1 snowpack levels are 87 percent of average and reservoir levels are recovering, Desert Water Agency asks that the State Water Board consider significantly reducing targets for those regions no longer facing exceptional or extreme drought.

It is vital that we retain the trust of our community so that when we face drought conditions again in the future, people take restrictions seriously and make necessary changes. The issue of credibility is important throughout the state, but especially in communities where drought conditions are not as severe and supplies are healthy. DWA is committed to working with customers to use water efficiently, regardless of supply or regulatory conditions.

For those regions no longer facing exceptional or extreme drought, Desert Water Agency asks that the Board reduce conservation targets accordingly, providing considerable and appropriate adjustments for reliable water supply portfolios and extreme climate differences during the hot summer months.

#### **PROPOSED MODIFICATIONS TO EXISTING CLIMATE ADJUSTMENT, FOUR PERCENT CAP**

Especially as we move into the hot summer months, a four percent adjustment is not sufficient to address our desert region's 27 percent deviation from the statewide average evapotranspiration. Additionally, it is not equitable to cap the climate adjustment at four percent. Some agencies are receiving an eight percent adjustment in some of the other adjustment categories, and climate is perhaps the biggest discrepancy impacting conservation. We ask that the climate cap, and all others be removed.



Under the methodology presented by SWRCB staff, an agency with a five percent deviation from the statewide ET would receive a two percent credit, whereas an agency with more than five times that deviation would receive a four percent credit. A two percent difference cannot account for the dramatic climate impact that our region sees compared to places in Northern and Central California, like Fresno and Stockton. **This metric unfairly disadvantages communities with the hottest, driest climates.** It also groups regions together, not truly reflecting the circumstances they experience. Some regions will benefit from this, but those with the most need are hindered. Our customers live in one of the hottest places in the world – living conditions most Californians do not understand. People, animals, plants – even those that are drought tolerant – simply need more water in our region.

Using the [climate adjustment methodology](#) submitted by the Association of California Water Agencies to the SWRCB prior to the December 7, 2015 workshop, DWA would have seen an adjustment from the agency’s initial 36 percent conservation standard to an approximate 27 percent, rather than the agency’s current 32 percent that resulted from the SWRCB staff methodology. With an appropriate climate adjustment, a 27 percent target would have been well within reach – DWA customers have achieved a 26.5 percent cumulative savings since June 2015.

Reducing an agency’s conservation standard by the same proportion as its deviation from the statewide temperature is reasonable and easy to explain. It is much simpler and fairer than the current methodology.

#### **SUPPLY CREDITS BASED ON THE RELIABILITY OF SUPPLY PORTFOLIOS**

During drought emergencies giving supply credits to agencies that are not facing shortage situations only makes sense. Desert Water Agency understands the complexity involved with creating these credits. However, in cases like ours, reducing water use locally has no impact on the supplies of other regions, nor was it necessary to prevent or safeguard against local shortages.

While amending the current emergency regulation, the reliability of agency supply portfolios should bear heavy influence as the State Water Board considers adjustments to conservation targets. Supply should remain a major consideration in the development of any and all future emergency restrictions.

From funding our groundwater replenishment facilities to long-term conservation achievements, our customers have made large investments in the careful management of a healthy groundwater basin to protect our region against the impacts of drought – we’ve built a massive water savings account beneath our feet. Agencies that ask customers to invest heavily in developing sustainable supplies to serve emergency and long-term water needs shouldn’t be prohibited from relying on those resources in times of drought.

A regional approach could be an effective way to gather the information quickly and assess supply health. If a regional approach is taken at this time, Desert Water Agency requests that the new regional target be no higher than the lowest agency within that region. This will set the stage for regional cooperation and conservation achievement moving forward. Alternatively, the stakeholder-submitted Supply-Demand Based Emergency Drought Regulations Compliance Framework could be an effective way to formulate standards. Desert Water Agency supports staff further exploring this proposal.



Staff should reconsider giving credit to agencies with groundwater sustainability and recycled water production. DWA customers have invested in these efforts for years as a way to safeguard our community from the effects of drought conditions. Our groundwater basin is sustainable, and we are not facing water shortages.

Because DWA is not suffering from water shortages, the State Water Board's action to exclude groundwater recharge from the drought-resilient supply credit is arbitrary. Although DWA is not receiving full SWP supplies, the groundwater basin has been managed to accommodate drought scenarios. It is unclear as to why the SWRCB treats groundwater storage differently than surface water storage.

We recommend an across the board "healthy supply" credit for those agencies not drawing from high-priority basins and a recycled water credit given to agencies that have made significant investments in recycled water – regardless of when those investments were made.

#### **IN CLOSING**

Supporting our customers in achieving conservation gains has been a top priority for DWA. We have spent an incredible amount of time, energy and resources to yield unparalleled conservation. We are proud that our customers have exceeded the governor's 25 percent statewide conservation mandate, making significant contributions to statewide savings and our region's groundwater savings.

Increasing conservation outreach has cost DWA more than \$150,000, and enforcement costs are projected to exceed \$215,000. This is all at a time when our agency will see \$8.2 million less in revenue. Our agency needs to dedicate resources to its aging infrastructure and ensure that water quality meets state standards.

We share your goal of protecting California water resources. As long as the drought persists and the emergency regulation is in effect, we're all in this together – we all must continue to cut back. But, given current statewide water supply conditions, customers cannot be disproportionately burdened by the emergency regulation.

We continue to tell our customers that they must to do more to conserve, and we've taken significant steps to increase enforcement of our agency's mandatory water use restrictions. We believe that more of our customers would be willing to step up to conserve even more if they felt that the mandated conservation goal was fair and attainable for our community and appropriately matched with current supply conditions.

Thank you,

A handwritten signature in blue ink that reads "Mark A. Krause". The signature is fluid and cursive.

Mark Krause  
General Manager-Chief Engineer  
Desert Water Agency