Key Issues and Questions

Responses Prepared by Lynn Rodriguez
Water Management Consultant
CUWCC Member

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State Water Board staff identified the following key issues and questions for public input:

1. Should the State Water Board adopt an urban water conservation regulatory program? What should be the scope and content of such a program? Will mandating urban water suppliers to implement certain practices or meet specific performance standards be beneficial for enhancing water conservation?

Yes, the State Water Board should adopt a regulatory program for urban water conservation. This program should be based on implementation of the BMPs in the MOU for urban water conservation. The scope and content should include continuation of the efforts of the CUWCC and addition of any staff or tasks related to more focused enforcement or follow up with local agencies. In addition, it should include a higher level of technical support, perhaps through augmented staffing levels at DWR Office of Water Use Efficiency, to give agencies the support they need to carry out more aggressive programs.

Such mandates will be beneficial for enhancing water conservation because, like other water related regulation, it is more likely to be thoroughly implemented if it is required. Just because water conservation is a good idea, or the right thing do (and offers other benefits like energy savings) doesn't mean agencies will fully implement it. Many agencies in the State have programs in place for implementing BMPs but they may not be carrying out these measures as intended or in a rigorous manner because there is no meaningful follow through or enforcement at the current time.

2. What is an appropriate definition of urban water supplier? Should it include both wholesale and retail water suppliers? One option is to use the definition of "urban water supplier" in the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.), that is, a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. (Wat. Code, § 10617.)

All urban water suppliers (wholesalers and retailers) should be required to implement water conservation programs. There are many small water suppliers that are not required to implement UWMPs and this would be a good time to bring them into our statewide efforts. Since some of them have signed the MOU, any outreach and technical assistance provided in response to the first question could help these smaller agencies to comply.

3. Should the regulatory program apply to all areas of the state or only to areas subject to certain criteria? Water conservation can provide consumer benefits even in areas that are not water short. Key benefits can be lower water bills and reduced energy use for

water heating. However, water conservation has significantly greater importance in areas that are chronically water short or that depend on water exported from watersheds that are under environmental stress, such as the Delta. Perhaps the State Water Board's regulatory authority should be focused on these special areas.

It is important to include all areas of the state, for the reasons listed in the question. Water conservation is generally the most effective and cheapest means to extend or enhance water supplies. Wasteful use of water, or unnecessarily high water demand (i.e. per capita) should be discouraged everywhere in the state.

4. Would a performance-based regulatory program, allowing latitude for urban water suppliers to select the practices to meet specified water use reductions, be an effective approach? In what form should the performance standards be expressed, for example, targeted reductions based on total urban per capita use or on water use sectors (residential, commercial, institutional, and industrial)?

A performance based program is a good idea as long as there is appropriate follow up and assistance provided to help agencies decide what works best for them and them making sure they implement it. One size does not fit all. For many years, the approach has been voluntary implementation of prescriptive measures to reduce demand in specific water use sectors (the BMPs) mainly because the water industry preferred this approach over targeting per-capita use (which varies with climate and land use). With the Governor's 20% reduction by the year 2020 a new debate has arisen over where to set the baseline and how to encourage areas that are already efficient to keep up their efforts and attempt to achieve even more efficient use. Both approaches have their advantages and disadvantages but the most important thing is flexibility; allowing for local areas to determine what will work best for their customers and then faithfully implementing that approach.

5. Should the State Water Board adopt prescriptive urban water conservation management practices, such as the BMPs in Table 1? Would some of the BMPs in Table 1 be more appropriate for state wide implementation than others?

The BMPs have been the industry standard since the early 90s and for the most part they work well. The CUWCC conducts research and provides some assistance to signatory agencies in carrying out their programs. This process is currently being evaluated and a new, more flexible approach being considered. These practices should be the ones considered by the State Water Board when adopting a regulatory program. There are also potential BMPs that have been studied over the years, and new practices that can be considered for the future. These practices were developed over the years as being applicable throughout the State so there is no reason to select certain measures for statewide implementation and not others.

6. Are water pricing structures the most effective conservation measure to mandate on a state wide basis? Should particular volumetric water rate structures, such as increasing block rate, be specified? What criteria should be considered in defining a rate structure? What should the rate structure look like?

Inclining block rate structures, like metering of all service connections, should be a requirement for every urban water supplier. Appropriately priced water that reflects the true cost of supplying that water – including the marginal cost of additional supplies to meet growing demand – is necessary. Otherwise water users do not see the relationship between the value of water and its cost.

7. What data are available to support mandating particular water conservation practices and estimating the potential water savings associated with those measures?

Many studies have been conducted over the past 15-20 years to justify the value and benefits of implementing particular measures. The CUWCC has overseen most of this research, along with the Bureau of Reclamation and the Department of Water Resources.