



## THE CITY OF SAN DIEGO

April 13, 2015

Sent via Electronic Mail: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

Honorable Chair Felicia Marcus  
and State Water Resources Control Board Members  
c/o Ms. Jeanine Townsend, Clerk of the Board  
State Water Resources Control Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

Dear Chair Marcus and State Water Resources Control Board Members:

The City of San Diego's Public Utilities Department (San Diego) is pleased to have this opportunity to comment on the State Water Resources Control Board's (State Board) proposed Regulatory Framework for implementing the Governor's Executive Order to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. San Diego agrees with the Governor's assessment of the severity of drought conditions and the need for immediate action. Furthermore, we are committed to acting swiftly to implement drought response programs aimed at effectively reducing freshwater demands.

Staff members from the State Board and other California resource agencies have done a good job communicating with stakeholders this week, especially given the circumstances. We appreciate the effort being made to not only communicate expectations, but to also remain open to comments received.

San Diego has historically depended on imported water supplies to meet up to 90% of its water demands. Being at the end of the imported water pipeline contributed to a sense of water supply vulnerability that sponsored what is perhaps the most aggressive regional water supply diversification program statewide. Since 1991, the greater San Diego region has pioneered long-term water transfers, canal lining projects, water recycling, and seawater desalination.

Moreover, San Diego is poised to begin construction on a series of projects to produce 83 million gallons per day of purified drinking water from wastewater, representing approximately a third of San Diego's water demands in 2035. All of these new water supply projects are aimed at improving San Diego's water supply reliability, but also reduce our dependence on the State Water Project, thereby contributing to water supply reliability statewide.



### **Newly Developed Alternative Potable Supplies Should Provide a Credit towards GPCD Calculation**

While freshwater supplies are subject to hydrologic variations, alternative potable supplies from seawater desalination and potable reuse are not. Essentially, these alternative water supplies are drought-proof and sponsor long-term water supply reliability and self-sufficiency. While the development of these alternative (not freshwater) supplies provide drought relief for the communities in which they are located, they also reduce demands for imported water, thereby providing drought relief for upstream communities as well.

The State Board's proposed regulatory framework does not acknowledge the investments made throughout the state in water supply reliability. All residents and water agencies in California are subject to the same limitations even though some have invested significantly to provide reliability during water shortages like the current drought. If not taken into consideration, ratepayer support for future reliability improvement projects will become challenging. We strongly encourage the State Board to consider giving agencies credit commensurate with the amount of alternative water produced (i.e., a one-for-one credit applied to the agency's conservation standard) when substantial investments in water supply reliability to provide an incentive to increase regional self-reliance has been made, as is called for in the Governor's California's Water Action Plan.

### **Regulatory Relief for Development of Potable Reuse Projects and Main Flushing**

Potable Reuse has been identified by the State of California and Governor Brown as a priority water supply diversification strategy. Still, the regulatory framework for indirect potable reuse projects with reservoir augmentation (IPR/RA) is more than a year away from completion and there is no schedule yet established for creating uniform criteria for permitting direct potable reuse projects. As such, San Diego is preparing dual planning studies (IPR/RA and DPR) for our water purification projects to keep all options viable at this time. If San Diego had more certainty with regard to the regulatory framework for IPR/RA and DPR projects, we could potentially advance the timing of construction of this vital water supply option. We request that permitting agencies that rely on CEQA determination in order to issue their permits look at streamlining options to expedite the permitting process for all projects providing new water supplies. Streamlining CEQA review should be considered an important tool for advancing the construction of badly needed new supply projects.

Finally, State Drinking Water Regulations require a certain level of main flushing before putting a new pipeline into service. The State Board should evaluate this practice and determine if the regulations should be amended to promote potable water conservation.

### **State Issued Variances for CII Non-Discretionary Uses**

Action 11 of the Governor's Executive Order specifies that the Commercial, Industrial, Institutional (CII) sector's response should focus on landscaping (properties). We believe that this phrasing inherently recognizes that much of the CII sector's water use is non-discretionary



(often referred to as “process water”) and reflects a commitment by the Governor to protect businesses against the economic impacts of mandatory water usage reductions.

While we agree with the State Board’s allowance for retail water agencies to determine the best approach for achieving water usage reductions within their service territories, we believe that the State can assist local agencies by establishing a list of CII classifications for which process water usage (irrigation not included) is considered exempt from drought reduction requirements. Examples include hospitals, life sciences research, and other similar industries that rely on process water for health and safety, national defense, and homeland security.

San Diego’s \$197.9 billion economy must be assured that non-discretionary water uses (generally referred to as “process water”) will be last to be cut.

### **Apportioning Water Supplier Reductions – Propose Six Tiers Instead of Four**

The State Board’s proposed regulatory framework suggests the establishment of four tiers of conservation standards according to a community’s residential per capita water usage in September 2014. The intent of this proposal is to recognize the early conservation efforts in communities with lower R-GPCD levels and still achieve a total statewide reduction in water usage of approximately 25%.

San Diego strongly agrees with this approach, however believes that a more refined spacing of the tiers (with a range of 30 GPCD for residential water use instead of 55) does a better job of representing categories of conservation achievement. The difference in conservation effort between a community using 56 gallons per capita per day (GPCD) is vastly different from a community using 109 GPCD, yet the four-tier proposal does not recognize that distinction.

<b>R-GPCD Range (Sept. 2014)</b>	<b># of Suppliers with Range</b>	<b>Conservation Standard</b>	<b>Anticipated Conservation (billion gallons/month)</b>
Under 55	18	10%	3.8
55-85	57	15%	24.6
85-115	86	20%	67.0
115-145	64	25%	70.9
145-175	66	30%	55.7
Over 175	120	35%	153.9

Total conservation levels under San Diego’s proposed six-tier approach is comparable to that of the four-tier approach proposed by the State Board and therefore supports the State’s overall conservation goal. Therefore, we ask that the six-tier approach be considered in lieu of the four-tier approach.

### **Enforcement Measures**

San Diego recognizes the need for enforcement tools and appreciates that the State Board has identified a range of enforcement approaches in its proposed regulatory framework. We believe

that as long as a water utility can demonstrate that it has responded in good faith with robust conservation programs, conservation pricing, and active enforcement programs that the administration of formal actions should be tempered accordingly.

### **Determining Baseline Water Usage and Evaluating Recent Water Use**

As part of the emergency water conservation regulation, the State Water Board has been reporting monthly water use data dating back to June 2014. Comparing monthly results to a prior year can be confusing and misleading, as many variables influence fluctuations in water use, particularly climate. Due to these issues, we encourage the State Water Board to consider other approaches besides relying on monthly data for compliance and enforcement.

One way to buffer the fluctuations is to build a longer-term trend into the analysis by using twelve-months of data for both the baseline and the metric for compliance. For example, since the Executive Order calls for achieving a statewide 25% reduction in potable urban water usage as compared to the amount used in 2013, an agency's baseline water use could be an average from calendar year 2013. Using a twelve-month rolling average to measure progress toward meeting a target would enable a more insightful perspective of recent water use trends for compliance. This approach would give credit to urban water suppliers that have effectively conserved in response to the Governor's previous calls for action.

### **Proposed CII Sector Reporting Requirements**

To assess conservation compliance by CII customers and the actions taken by urban water suppliers to reduce CII sector use, the State Board recommends the enactment of certain reporting requirements. Please note that San Diego keeps limited data on hand related to its customers' CII classifications. It is possible to modify our database to include this data going forward, however it would take a substantial level of effort to retroactively apply CII classification data to historic customer accounts. Water agencies statewide are likely to similarly maintain limited data regarding CII customer classifications; therefore, we request that the State Board be mindful of initial CII sector data limitations when establishing CII reporting requirements.

Please note that many San Diego commercial accounts could potentially fit into multiple categories. Consideration regarding the value of parsing the data should be taken. We encourage flexibility with CII reporting standards.

CII customer consumption information reported will be generated from water bills issued during the monthly reporting period. However, bills issued during the reporting period will include water consumed up to fifty-nine days prior to the reporting period depending on the customer billing frequency (monthly or bimonthly) and billing period beginning and ending dates. As such, please note that customer consumption information reported for a specific period may not fully correlate to overall water consumption (based on water production) reported for the same period.



Page 5  
Chair Felicia Marcus  
April 13, 2015

Additionally, San Diego seeks greater clarification and consideration of the following specific areas:

- *Definitions.* Please define “commercial”, “industrial”, and “institutional”.
- *Large Landscape Commercial Use.* Please be specific with regard to which large landscape commercial customers should be included in this report. Please define “large”.
- *Industrial Sector Use.* Please be advised that San Diego’s customer database does not currently distinguish between commercial and industrial. Additionally, some accounts categorized as “commercial” are combination business/domestic services. It is not possible to parse out commercial from residential usage in such cases.
- *Institutional Sector Use.* Please be advised that San Diego’s customer database does not currently include an “institutional” category for its accounts.
- *Large Landscape Institutional Customer Use:* Please define “large”.

## Conclusion

San Diego is committed to partnering with the State Board to assure there are sufficient water supplies for all Californians during these persistent drought conditions. We believe that the State should promote the development of alternative water supplies in addition to mandatory cutbacks efforts. Our economy and environment benefit from the rapid deployment of both approaches.

Please do not hesitate to contact me or Mr. John Helminski, Assistant Director at 858-292-6401 or [jhelminski@sandiego.gov](mailto:jhelminski@sandiego.gov) if you have any questions or concerns.

Sincerely,



Halla Razak, P.E.  
Director of Public Utilities

CP/slc

cc: Alejandra Gavaldón, Director of Federal Governmental Affairs and Water Policy  
Moira Topp, Topp Strategies