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VIA E-MAIL & FIRST CLASS MAIL

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



**SUBJECT: COMMENTS BY THE PUBLIC WATER AGENCIES GROUP
REGARDING POTENTIAL ADJUSTMENTS TO THE FEBRUARY 2016
EMERGENCY REGULATION**

Dear Ms. Townsend:

We represent the Public Water Agencies Group (the “Group”), an informal association of 16 public agency water suppliers¹ who provide wholesale and retail water service in Los Angeles County. We appreciate the State Water Resources Control Board (the “State Board”) providing this opportunity to comment on potential adjustments to the February 2016 Emergency Regulation for Urban Water Conservation (“February 2016 Emergency Regulation”). The State Board has requested public input on the following: What elements of the February 2016 Emergency Regulation, if any, should be modified? How should the State Board account for regional differences in precipitation this year? To what extent should the State Board consider the reliability of urban water supplier supply portfolios in the February 2016 Emergency Regulation? In response to the State Board’s questions, the Group supports the changes discussed below.

1. Focus on Supply, Rather Than Use. The February 2016 Emergency Regulation should implement a conservation standard that is based on an agency’s supply, rather than across-the-board mandatory conservation focused on use. In other words, the State Board should move away from the “one size fits all” approach that is inherent in its current regulation. This

¹ The Group consists of Crescenta Valley Water District, Kinneloa Irrigation District, La Habra Heights County Water District, La Puente Valley County Water District, Newhall County Water District, Palmdale Water District, Pico Water District, Quartz Hill Water District, Rowland Water District, San Gabriel County Water District, San Gabriel Valley Municipal Water District, Sativa-Los Angeles County Water District, South Montebello Irrigation District, Three Valleys Municipal Water District, Valley County Water District and Walnut Valley Water District.

change would eliminate the dilemma the State Board is now facing as it considers whether or not it should make regulatory adjustments due to the disparate levels of precipitation so far in 2016. A focus on water purveyors' varied sources of supply would reveal which regions' supply components experienced high amounts of precipitation and which ones did not. If the February 2016 Emergency Regulation replaced its "one size fits all" approach, and instead focused on various regional supply sources, disparate precipitation would not present a dilemma.

2. Recognition of Sources of Supply Developed Before 2013. Currently, the local drought-resiliency supply credit only recognizes new sources of supply that were developed in 2013 or later. As a result, if a water supplier invested in a new drought-resilient source of supply that was developed in 2012 or earlier, it would get no credit under the February 2016 Emergency Regulation. This effectively penalizes urban water suppliers. An example is provided by the numerous water suppliers who invested significant public monies in developing recycled water systems over the past 20 years or even longer. Those investments have yielded significant benefits in the current severe drought by allowing land uses that would otherwise be using potable water supplies to instead be served recycled water. However, with the 2013 cut-off date, water suppliers who have made such investments get no credit for those investments and, in fact, are being penalized because their overall prior (i.e., 2013) water use already has been reduced through those recycled water supplies. Another striking example is the Carlsbad Desalination Plant, which cost over \$1 billion to construct. This significant investment is not properly recognized by the February 2016 Emergency Regulation, and thus, construction of other desalinization plants is not adequately incentivized.

We believe that there should either be no cut-off date, or the cut-off date should be moved significantly back in time – perhaps to 1991, when the Water Recycling Act of 1991 was enacted. If a water supplier invested in a new source of supply at any time before the selected cut-off date and it can prove the efficacy of that supply, a credit should be recognized. Water suppliers acted responsibly in investing in recycled water systems and a desalination plant, and they should not now be penalized. Once again, the "one size fits all" nature of the February 2016 Emergency Regulation is the root of this problem; instead of rewarding the agencies that have invested in drought-resilient sources of supply, the February 2016 Emergency Regulation treats all agencies the same, by enforcing mandatory, across-the-board conservation.

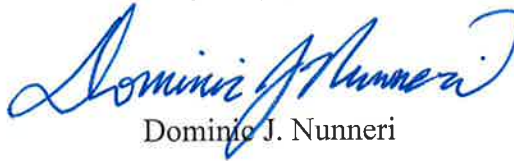
3. California's Long-Term Strategy. As the State Board considers a shift from the use of temporary drought regulations, to potentially implementing a long-term strategy for water conservation, we strongly believe that a "one size fits all" approach should be avoided. Rather than focusing on mandatory, across-the-board conservation that does not recognize local conditions, California's long-term strategy should demand high levels of water use efficiency established at the local level, require accountability at local water agencies, and preserve local

State Water Resources Control Board
April 14, 2016
Page 3

control over water management strategies. This approach will avoid many of the problems that have arisen as a result of the way the Emergency Regulation, as well as the February 2016 update, have been drafted and executed.

Thank you for this opportunity to provide input regarding the February 2016 Emergency Regulation. If you have any questions regarding this matter, please contact Dominic Nunneri at 626-793-9400, or by e-mail at dnunneri@lagerlof.com.

Very truly yours,



Dominic J. Nunneri

DJN:lj

cc: Public Water Agencies Group Members (via e-mail)