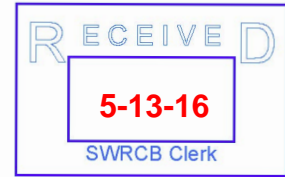




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May 13, 2016

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th floor
Sacramento, CA 95814

RE: Comment Letter—Proposed Emergency Regulation

Dear Chair Marcus and Honorable Members of the Board:

Mission Springs Water District (MSWD) is committed to maintaining its course of compliance with the Emergency Regulations and supports the SWRCB-proposed "self-certification" model with amendments as outlined herein below.

MSWD believes that there remains two unintended consequence of the Drought Order that should be addressed in the revised Order:

1. Punitive, Inequitable Baseline R-GPCD Calculation
2. Disadvantaged Communities (DAC) Revenue Instability

• **Punitive, Inequitable Baseline R-GPCD Calculation:**

MSWD holds that the standard of historic use does not properly contribute to a fair and equitable model for conservation targets in the region.

The greater Desert Hot Springs area, listed as a Disadvantaged Community (DAC), suffered greatly through the so-called "Great Recession" and the effects linger. Despite that, customers in neighboring, more affluent districts did not experience the same effects.

MSWD has seen a precipitous decrease in water use since 2013, averaging only 106 R-GPCD for the June 2015 through April 2016 period in the highest Reference Evapotranspiration Zone (ETO) in the state—Zone 18. This is after achieving only a 19% reduction from the 2013 baseline, 5% short of the state-mandated reduction.

Neighboring agencies in the same ETO Zone will achieve full compliance while only seeing average R-GPCD of between 140 and 200. This inequitable structure is largely driven by pre-drought economic factors that must be considered in the proposed Order. Without considering these economic factors, the ongoing mandate to meet 2013-2014 average is disproportional for the region and punitive in nature.

MSWD requests that DAC communities be permitted to exceed the 2013 baseline R-GPCD by up to 10% where regional inequity in water conservation standards exist.



- **Disadvantaged Communities (DAC) Revenue instability:**

R-GPCD in the MSWD service area dropped by over 25% between 2007 and 2013, largely in response to economic drivers. An additional 19% reduction has occurred since the baseline year of 2013 for a cumulative reduction of 44%. That same 44% represents a significant reduction in revenue.

Conservation mandates translate into higher water costs. Even at the current cumulative reduction of only 19%, pre-drought reductions have required a significant increase in water prices for MSWD's customers.

Further, while service area populations for neighboring districts are tantamount to *rewarded* for high pre-drought water use, MSWD's customer base is penalized for reducing water use in response to economic stressors. The proposed standard, though somewhat relaxed, ensures that the punitive mandate for this already comparatively-low water use area continues. This creates an undue burden on the Desert Hot Springs DAC and will continue to result in revenue instability.

MSWD hereby requests that the Board protect DACs from revenue instability triggered through onerous conservation requirements. Standards should reflect revenue requirements where increased rates would become draconian in their impact on DAC members.

Sincerely,
MISSION SPRINGS WATER DISTRICT



Arden Wallum
General Manager