



IRVINE RANCH WATER DISTRICT

15600 Sand Canyon Avenue • P.O. Box 57000 • Irvine, California 92619-7000 • (949) 453-5300 • www.irwd.com

May 13, 2016



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

Subject: May 18, 2016 Board Meeting Conservation Extended Emergency Regulation

Dear Chair Marcus and Members of the Board:

Irvine Ranch Water District (IRWD) appreciates the opportunity to provide input to the State Water Resources Control Board ("State Board") on the proposed Conservation Extended Emergency Conservation Regulation ("Emergency Regulation"). We appreciate the State Board's inclusion of stakeholders as it developed the proposed changes in response to improved and differing water supply conditions throughout the state. IRWD supports the proposed framework which requires individual suppliers to certify the availability of supplies to meet demands. The framework is based on local conditions, and therefore automatically accounts for regional differences in hydrologic conditions, and calibrates required demand reductions to the severity of water shortages for each supplier. Because it accounts for available supplies relative to demands, the framework also address the issues raised regarding communities that are growing as well as regional and local investments in water supply and reliability projects.

Based on our review of the proposed regulatory framework, we offer the following response to the question posed regarding whether a conservation floor should be established. We have also provided input regarding other aspects of the proposed framework.

Conservation Floor:

Providing a reliable water supply is a fundamental responsibility, as well as a legal mandate, for water suppliers. The required evaluation and self-certification proposed in the framework will identify any projected shortages, and suppliers will need to implement measures to address those gaps. The benefit of this approach is that it provides a strong incentive for local investments in sustainable supplies, water banking and storage, alternative supplies such as recycled water, and water use efficiency. An artificial conservation floor could undermine these incentives. Establishing a floor would result in inherent inequities since it would override the assessment of local hydrologic conditions. A floor could create disincentives for additional investments in reliability and water conservation if there is no benefit to the supplier or its rate-payers during a drought. Additionally, the proposed regulation is very conservative in its assessment of available supplies, requiring that it be based on three of the worst hydrologic years in recent history and as

a result, it automatically incorporates additional required savings. There will be a base level of water savings from the water waste prohibitions and an additional savings buffer built in from the proposed very conservative assessment of supplies and demands. Additionally, local agencies could still choose to achieve additional conservation by setting its own conservation standard that fits the needs of its service area. Establishing an additional conservation floor is unnecessary, could create inequities, and could undermine additional investments into water supply reliability and long-term conservation.

Conservation Standard:

The proposed conservation standard would be based on an assessment of available supplies and any projected demands on hypothetical conditions in 2019. A supplier's water conservation standard for 2016 would be determined based on any percentage of shortage in 2019. IRWD recommends that the supplier's conservation standard be based upon an assessment of available supplies and demands in 2016 which corresponds to the term of the emergency regulation. Supplies and projected demands are more certain for the current year, rather than using a hypothetical future year. Should the drought persist, the supplier's conservation standard can be re-assessed each year to correspond with the time frame of the regulation. This aligns with our original proposal which addresses the drought emergency in 2016, and allows for an adaptive management approach based on changing hydrologic conditions in successive years; IRWD supports the implementation of a conservation standard.

Demand Projection:

The framework proposes that suppliers would be required to use the average of their 2013 and 2014 demand for their assessment. The years 2013 and 2014 were both prior to the implementation of the 25% mandate. Since then suppliers have invested significant resources to reduce potable demands through temporary behavioral changes as well as measures that should result in long-term water savings. These measures include conversions from turf to drought tolerant landscapes, installation of high efficiency toilets and other water saving devices. In addition, prohibitions will remain in place to prevent water waste. Demands after a drought do not rebound suddenly. They typically rebound over several years, and often not to pre-drought levels. These combined actions and effects will continue to suppress demands below the 2013 and 2014 levels. Consequently, the use of the average demands from 2013 and 2014 will overstate projected demands for suppliers. IRWD recommends that the demand projection for the assessment be based on the average demands for the three-year period of 2013, 2014 and 2015. This will better correlate the demands with the three-year hydrology selected for purposes of calculating available supplies, and provide a more accurate representation of any projected shortages.

Certification Schedule:

The proposed certification schedule requires wholesalers to provide documentation to their retailers by June 8, 2016, and urban suppliers must complete their evaluation and self-certification by June 15, 2016. In some cases there are multiple levels of wholesalers, and the

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proposed schedule may not allow sufficient time for certification. IRWD purchases imported water from the Metropolitan Water District of Southern California through an intermediary wholesaler, the Municipal Water District of Orange County. In order to allow sufficient time for both wholesalers to complete their analysis and provide their evaluation and documentation, we request that the schedule be extended to June 15. We also request that the schedule for retailers be extended to June 22, with an effective date of June 1, to allow sufficient time for them to submit self-certifications. Additionally, at the discretion of State Board staff, retail suppliers unable to submit by June 22 would be able to submit self-certifications by the 15th of any subsequent month, with an effective date of the 1st of that same month. These schedule adjustments would help ensure that wholesale and retail agencies have sufficient time to fully coordinate their projections, especially where there are multiple levels, and prepare the required documentation for submittal.

Conclusion:

IRWD appreciates that the State Board's proposal recognizes hydrologic differences and other factors that affect water use, and that it encourages continued local and regional investments into supply reliability. We are committed to continuing to implement innovative water use efficiency programs and investing in supply reliability through the development of sustainable drought-proof supplies.

Thank you for your consideration of comments and recommendations on the proposed drought regulation. Please do not hesitate to contact me at (949) 453-5590 if we can be of assistance to you or your staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul A. Cook".

Paul A. Cook, P.E.
General Manager