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May 13, 2016



Submitted by e-mail to: commentletters@waterboards.ca.gov

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

Dear Chair Marcus and Members of the Board:

Subject:

May 18, 2016 Board Meeting (Conservation Extended

Emergency Regulations)

The Municipal Water District of Orange County (MWDOC) appreciates the opportunity to submit comments for consideration by the State Water Resources Control Board (State Water Board) on Extended Emergency Regulations for Urban Water Conservation in response to improved hydrologic conditions in California this winter. In general, we support the approach presented in the State Water Board staff proposal that contains a water supply and demand based self-certification. The proposed approach is a much better fit as it matches an agency's water supply portfolio to their anticipated demands in the coming years and assigns an appropriate Conservation Standard when justified by a supply and demand imbalance.

In addition to responding to the question posed by State Water Board staff regarding a Conservation Standard floor, we have included supplemental comments focused on refinements to the staff proposal.

Response to question posed by State Water Board staff:

1. Should there be a Conservation Standard floor? No. We believe there should not be a Conservation Standard floor or minimum imposed on water agencies. Agencies, with support from rate payers, are making significant investments in the development of sustainable water supplies. With this comes an expectation by rate payers that water supply reliability will be improved and curtailments will be minimized or eliminated. The proposed framework of self-certification of supplies and demand should be used to define the Conservation Standard for each agency. The Honorable Felicia Marcus, Chair Page **2** of **3** May 13, 2016

Further, we believe that a Conservation Standard floor already exists in SBx 7-7, or 20% by 2020. This goal was established in 2009 and includes performance reporting in 2015 and 2020. In addition, continuation of end user requirements also serves as a Conservation Standard floor that will result in prolonged water savings and emphasize the need for the conservation ethic by consumers.

Finally, conservation efforts and performance will continue without establishing a conservation standard floor. MWDOC's FY 2016-17 budget alone includes over \$5 million in water use efficiency and communication programs. This support is replicated by our member agencies and water agencies throughout the State. Water use efficiency is well established and another standard is simply redundant.

Comments focusing on refinements to the staff proposal:

1. We support <u>annual certification</u> of supplies and demands rather than a three-year certification. We ask the State Water Board to consider annual certification, which would provide a firm certification of supply and demand for the coming year (year 1) and supply and demand projections for the two subsequent years (years 2 and 3). Supply and demand projections for the two subsequent years would be informational, yet still require agencies to keep a focus on possible changes in supply and demand in the coming years. This will allow agencies to implement and account for planned <u>and</u> unplanned supply and demand side activities on a year to year basis. Annual certifications will account for the changes in supply and demand more rapidly and still provide for an extended planning horizon. Annual certifications better match the 270 day terms of emergency regulations.

A three-year certification would not account for supply and demand actions taken by agencies within the proposed three year framework. We believe this unintentionally penalizes agencies for these investments.

- 2. The timeframe for agencies to submit their self-certified form to the State Water Board is too short for some agencies, especially if there are intermediate wholesale agencies such as MWDOC. We ask the State Water Board to move the deadlines for both wholesale and retail agencies back two weeks.
- 3. To further the establishment of an efficiency ethic throughout California, we do not support withdrawing end user requirements regarding:
 - a. serving of drinking water, other than on request, in eating or drinking establishments, and
 - b. operators of hotels and motels providing guests with the option of choosing not to have towels and linens laundered daily.

The Honorable Felicia Marcus, Chair Page **3** of **3** May 13, 2016

These requirements should be retained as they save water, are a specific reminder to consumers that water efficiency is important to California, and save food and lodging establishment utility and labor costs.

Regardless of the conservation standards calculated by agencies in Orange County, we anticipate that significant levels of conservation will continue to be realized. This has been demonstrated at the conclusion of previous droughts. The rebound in demand takes years to occur, and demand does not return to pre-drought levels.

Lastly, we look forward to actively participating in the upcoming process to discuss the possibility of new water use targets as part of a permanent framework for urban water agencies that will build upon the existing requirements for the state achieve a 20% reduction in urban water usage by 2020.

Thank you for your consideration of these comments. Should you have any questions, please contact me at (714) 593-5026.

Sincerely,

Robert J. Hunter General Manager