

September 14, 2018

Ms. Diana S. Brooks, Chief
Water Use and Efficiency Branch
Division of Statewide Integrated Water Management
Department of Water Resources
901 P Street
Sacramento, CA 95814

Delivered by email: wue@water.ca.gov

Subject: California Water Association Comment Letter – 2018 Water Conservation and Drought Planning Primer

Dear Ms. Brooks:

On behalf of the California Water Association ("CWA") and its member public water suppliers under the jurisdiction of the California Public Utilities Commission ("Commission"), thank you for the opportunity to provide comments on the new document, *Making Water Conservation a California Way of Life: Primer of 2018 Legislation on Water Conservation and Drought Planning* (Primer), which serves as the starting point for implementing Assembly Bill 1668 and Senate Bill 606. CWA, whose member utilities serve about 6 million Californians, appreciates the effort you and your team have made to create an orderly distillation of the comprehensive legislation dealing with drought planning and permanent conservation regulations.

With the exception of the proposed edits, clarifications, and suggestions contained in the Coalition comment letter, also dated today, of which CWA is a signatory, we found the Primer to be reflective of, and consistent with, the chaptered legislation. CWA considers the Coalition's comments to be substantive, constructive and helpful, and it urges the Department to adopt them in the final version of the Primer. At its September 5, 2018, Public Listening Session, Department of Water Resources ("DWR") staff representatives indicated that they were looking for comments that improve the accuracy and clarity of the Primer. CWA believes the Coalition's comments help in accomplishing that goal.

CWA is not providing comments on the sections of the Primer related to agricultural water efficiency, but it does have two additional technical comments beyond those of the Coalition. Additionally, CWA has two qualitative comments – one on the drought planning section regarding small water utilities and one on public outreach.

Jack Hawks, Executive Director
California Water Association
601 Van Ness Avenue, Suite 2047
San Francisco, CA 94102-6316
415.561.9650
415.561.9652 fax
415.305.4393 cell
jhawks@calwaterassn.com
www.calwaterassn.com

Melissa Dixon, Administrative Director
California Water Association
700 R Street, Suite 200
Sacramento, CA 95811
916.231.2147
916.231.2141 fax
mdixon@calwaterassn.com

CWA President
Lawrence Morales
East Pasadena Water
626.793.6189
lawrence@epwater.com

CWA Vice Presidents
Keith Switzer
Golden State Water Company

Evan Jacobs
California American Water

Ed Jackson
Liberty Utilities Corporation
562.299.5166
edward.jackson@libertyutilities.com

CWA General Secretary and Treasurer
Joel Reiker
11142 Garvey Avenue
El Monte, CA 91733
626.448.6183
jmreiker@sgwwater.com

CWA Billing Address
California Water Association
700 R Street, Suite 200
Sacramento, CA 95811

CWA Mailing and Shipping Address
California Water Association
601 Van Ness Avenue, Suite 2047
Mail Code: #E3-608
San Francisco, CA 94102-3200

Diana S. Brooks
September 14, 2018
Page 2 of 5

In its comments to the Executive Order B-37-16 state agencies (dated December 19, 2016), which originated the State's policy for "Making Water Conservation a California Way of Life" and which formed the basis of the legislation and the Primer, CWA stated its preference for a flexible, staggered compliance time line for urban water suppliers and performance-based measures for the CII sector (outside of domestic indoor uses and outdoor irrigation). CWA also stressed the need to make sure that changes to indoor and outdoor water use standards over time be based on collaborative research and technology improvements.

CWA is pleased that the final legislation recognized these recommendations and that the Primer has largely adopted them. CWA is furthered satisfied that the necessary coordination between DWR, the State Water Resources Control Board ("SWRCB") and the Commission, the principal regulator of CWA's member companies, has been enabled in the legislation and the Primer. This is especially true with respect to the water use targets, the compliance deadlines, the drought planning requirements and the reporting protocols. While the implementation of the legislation will require substantive changes to the Commission-regulated utilities' tariff rules and schedules, these changes should be able to be completed in a systematic manner.

Urban Water Use Efficiency Standards

On page 9 of the Primer, the top of the left column correctly states that the State must consider the effects of the proposed standards on local wastewater management, developed and natural parklands, and urban tree health (CWC Section (§)10609.2 (c)). However, there is no mention elsewhere in the Primer how or when the State will do so. CWA respectfully requests that additional language be added to the final version of the Primer that gives more detail on the State's approach to addressing these effects and how they will be considered within the required timelines.

Reporting Requirements

With respect to the annual water shortage assessment report, the Primer states on Page 26 at the top of the Milestone Schedule: **2019 Jun 1 – Urban water suppliers submit annual water shortage assessment report to DWR.** Additionally, during the September 5, 2018, Public Listening Session, DWR staff indicated that urban water suppliers shall submit an annual water shortage assessment report beginning in June 2019. CWA believes that this interpretation is incorrect because (1) the new language in §10632 and §10632.1 of the California Water Code says nothing about the first report being submitted in 2019, and (2) because these two sections stipulate new requirements in a water supplier's Water Shortage Contingency Plan" ("WSCP") that will apply to the annual assessment report.

The applicable language in §10632.1 states:

Diana S. Brooks
September 14, 2018
Page 3 of 5

10632.1. An urban water supplier shall conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and, on or before June 1 of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its annual water supply and demand assessment within 14 days of receiving its final allocations, or by June 1 of each year, whichever is later.

The statutory language doesn't stipulate the starting year as 2019. Furthermore, §10632 now requires additional components (e.g., demand risk assessments) to be included in these annual water shortage assessment reports that are not part of the current Urban Water Management Plans ("UWMPs"). Since these components are not part of the existing UWMPs, the timing of this annual report should coincide with the development of the new UWMP components. Even though a guidance document or electronic template for the annual assessment report may be considered by DWR in the interim, CWA recommends that the first annual assessment report be required for submittal to DWR when (or after) the next version of the UWMP is submitted in 2021.

Accordingly, CWA suggests the following Primer revisions:

Page 24: Revise the phrase, "Requires an urban water supplier, by June 1 of each year, to conduct an annual water supply and demand assessment per its WSCP ..." to "Requires an urban water supplier, by June 1 of each year, beginning in 2021, to conduct an annual water supply and demand assessment per its WSCP ..."

Page 26: Milestone Schedule for 2019 and 2020: Delete the milestone listed for the first annual water supply shortage assessment report to DWR such that the first mention of the assessment report appears in 2021.

Small Water Suppliers and Rural Communities

Regarding drought planning for small water suppliers and rural communities, and the role that counties will now have in that process, CWA offers its assistance to them, DWR and the SWRCB, pursuant to AB 1668, with respect to recommendations and guidance for addressing drought planning needs for small systems and rural communities by January 1, 2020.

Diana S. Brooks
September 14, 2018
Page 4 of 5

CWA participated in the initial stakeholder meetings conducted by DWR with county and rural community representatives during the drought emergency period, and provided documents to those participants related to the regulated utilities' Tariff Rule 14.1 and Schedule 14.1, which encompasses their Water Shortage Contingency Plans and overall drought management. Since both large and small water suppliers regulated by the Commission have these tariffs, they can be used as a starting reference point for counties that embark upon drought planning assistance for small systems.

Appendix A: Summary of Actions Mandated by 2018 Legislation

Appendix A in the Primer lists the summary of actions undertaken by the lead and coordinating agencies, as mandated by the 2018 legislation. It further calls out those actions that involve stakeholder and/or public participation. CWA believes that DWR should make a distinction between the "public" and "customers" with respect to outreach and involvement. The public involvement contemplated in the Primer revolves around the standard-setting and variance processes that will be completed by the state agencies, and the responsibilities therein. This is fine, as far as it goes.

However, there needs to be an accompanying task for the state agencies to keep customers and customer groups abreast of the milestones and actions completed in the Primer, as the standards development process ensues. While the public and stakeholders groups will be involved to ensure that the policy compliance is on track, it is the utility's customers whose behavioral compliance will be affected, in part, by the implementing regulations. Accordingly, it is incumbent upon the state agencies and the water suppliers to ensure that customer expectations are properly managed throughout the process.


During the initial media coverage of the 2018 legislation's enactment, news stories were filled with (misinformed) quotes on the (presumed) impact of the water use efficiency standards on individual customers. Because that news cycle ended quickly, it was sufficient to say that the standards are an aggregate quantity at the utility level and that these quantitative targets would not be imposed on individual customers. Still, even though utilities will have flexibility in meeting their aggregate water use objectives (principally through the measures associated with eliminating water waste), they will still need the cooperation of customers under the "Use Water More Wisely" section to ensure compliance with the water use efficiency objectives.

Diana S. Brooks
September 14, 2018
Page 5 of 5

During the public outreach process, CWA respectfully requests that the DWR and SWRCB continually communicate the implications and water use profiles for customers and not be limited to public “policy” involvement with respect to the implementing regulations. This issue of potential and unbalanced customer impacts surfaced repeatedly during the emergency regulation process during the 2012-2016 drought, and it may well reoccur during the implementation of the 2018 legislation.

CWA appreciates this opportunity to provide comments on the Primer and urges the Department of Water Resources to adopt the recommendations of the coalition and CWA. If you have any questions, please feel free to contact me at jhawks@calwaterassn.com or (415) 561-9650.

Sincerely,



Jack Hawks

Cc: Rami S. Kahlon – California Public Utilities Commission
Terence Shia – California Public Utilities Commission