



San Diego County Water Authority

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March 4, 2008

MEMBER AGENCIES

- Carlsbad Municipal Water District
- City of Del Mar
- City of Escondido
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- City of Oceanside
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- City of San Diego
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- Helix Water District
- Olivenhain Municipal Water District
- Otay Water District
- Padre Dam Municipal Water District
- Camp Pendleton Marine Corps Base
- Rainbow Municipal Water District
- Ramona Municipal Water District
- Rincon del Diablo Municipal Water District
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- Santa Fe Irrigation District
- South Bay Irrigation District
- Vallecitos Water District
- Valley Center Municipal Water District
- Vista Irrigation District
- Yuma Municipal Water District

OTHER REPRESENTATIVE

County of San Diego

Department of Water Resources
Attention: Dave Todd
Office of Water Use Efficiency and Transfers
Post Office Box 942836
Sacramento, California 94236-0001

RE: Public Comments on UWMP and AB 1420 Eligibility Requirements

On behalf of the San Diego County Water Authority and our 24 member agencies, we would like to provide comments on the Department of Water Resource's (DWR's) proposed AB 1420 eligibility criteria for water management grants and loans (criteria). We recommend that the changes described below be made to the criteria to ensure conformance with the statutory requirements in the California Water Code and to maximize water savings by allowing water agencies the flexibility to use new and innovative approaches for implementing conservation programs.

1. **Issue:** The proposed criteria are inconsistent with Section 10631.5 (a)(1) of the Water Code because they are conditioned strictly on Best Management Practices (BMP) compliance and not on the implementation of demand measures and water savings goals established in a water supplier's urban water management plan.

Recommendation: As an alternative to strict BMP compliance, criteria for grants and loans should be conditioned on the implementation of water demand measures and/or water savings goals described in an urban water supplier's urban water management plan.

Section 10631.5 of the Water Code states that eligibility for a water management grant or loan made to an urban water supplier shall be conditioned on the implementation of the water demand management measures described in Section 10631. A water agency's compliance with Section 10631 must be described in their urban water management plan. In accordance with Section 2, Step Seven of DWR's *Guidebook to Assist Water Suppliers in the Preparation of a 2005 Urban Water Management Plan*, strict compliance with the BMPs is not required.

A public agency providing a safe and reliable water supply to the San Diego region

2. **Issue:** The proposed criteria are not consistent with the statutory requirements in Section 10631.5(b) of the California Water Code because there is no provision for alternative conservation approaches.

Recommendation: Include provisions in the criteria that would allow for alternative conservation approaches that would provide equal or greater water savings as compared to the California Urban Water Conservation Council (CUWCC) BMPs.

Section 10631.5 (b) requires the DWR to develop eligibility criteria after soliciting public comment. In Section 10631.5(4)(b)(A) DWR must “consider” conservation approaches described in the Memorandum of Understanding Regarding Urban Water Conservation in California (MOU) and alternative conservation approaches that provide equal or greater water savings. Section 1.A of the proposed criteria would require strict compliance with the CUWCC BMPs, many of which were adopted in the early 1990s and may be out-of-date. There is currently no provision in the proposed criteria that would allow for alternative conservation approaches that would provide equal or greater water savings as compared to the CUWCC BMPs.

3. **Issue:** Section IV Regional compliance of the criteria is not consistent with Section 10631.5 (4)(b)(B) of the Water Code because it requires strict BMP compliance for each participating agency.

Recommendation: Include provisions in the criteria that allow documentation that is consistent with the regional program that is actually being implemented. This could be based on demonstrating compliance with the water savings goals in a wholesaler’s urban water management plan.

Section 10631.5(4)(b)(B) requires DWR to recognize the different legal, technical, and practical roles and responsibilities of wholesale water suppliers and retail water suppliers. Compliance with the demand management measures may be determined regionally where the regional program achieves an amount of savings equivalent to the amount savings if each of the participating suppliers implemented the demand management measures individually. In contrast, section IV of the criteria requires documentation of the recent two-year period that would meet the format, coverage, implementation and reporting requirements contained in the MOU for BMP

reports for the participating agencies. A regional program that provides “equivalent water savings” may have data demonstrating equivalent water savings that is not in the format of the BMPs, because the program may include elements that are not a part of the MOU and exclude those BMPs that are less practical to implement. The criteria should provide the flexibility to provide documentation that is consistent with the regional program that is actually being implemented.

4. **Issue:** The proposed criteria does not provide adequate flexibility to allow water agencies to develop, as an alternative, new and innovative approaches to water conservation that have not been included in the existing BMPs.

Recommendation: Include provisions in the criteria for innovative approaches that provide equivalent or greater water savings when determining eligibility for grants and loans.

The Water Authority and its member agencies have had active conservation programs since the early 1990’s that have provided significant water conservation savings. Demand management measures and locally established goals are a part of our urban water management plans consistent with Section 10631 of the Water Code. These specific conservation goals have been included in the Water Authority’s Business Plan.

In September 2006, the Water Authority and its member agencies held a Water Conservation Summit to obtain input from the landscape industry on how to more efficiently implement landscape conservation programs. This industry input was used to develop a Blueprint for Water Conservation that was adopted by the Water Authority Board in July of 2007 for the purposes of meeting the water conservation goals in our Urban Water Management Plan. Most of the Water Authority’s member agencies actively participate in and support the regional programs identified in the Blueprint. While implementation of the Blueprint will meet many of the coverage requirements in the CUWCC MOU, many of our participating member agencies do not strictly comply with the coverage requirement of each BMP. When we embarked on development of the Blueprint, we recognized that new and innovative approaches would be needed to achieve water savings in both the landscape and commercial/institutional and industrial sectors. These innovative approaches are expected to provide equivalent or greater water savings than implementation of the existing BMPs, but under the proposed

criteria will not even be considered when determining compliance with the grant application requirements.

5. **Issue:** The effective date of implementing the criteria is not consistent with the effective date in the statute of the California Water Code and therefore does not provide water agencies with adequate time to come into compliance with the proposed criteria.

Recommendation: Consistent with the statute of the California Water Code, the criteria should apply only to grant applications that are solicited after January 1, 2009. The criteria should also include a phased approach for bringing water agencies into compliance.

The effective date of the eligibility requirement in the statute is January 1, 2009. DWR is proposing to attach these requirements to the next grant application for water use efficiency programs being solicited in April of 2008 and is also considering applying the criteria to grant applications for Round 2 of funding under Proposition 50, Chapter 8. We recommend that AB 1420 requirements not be applied to current grant applications being solicited or applications that are in progress. This will provide water agencies time to come into compliance with the criteria before applying for grants. Agencies that propose to meet the criteria by submitting a schedule, financing plan and budget will need the time to develop and fund the required water conservation programs.

6. **Issue:** The proposed criteria will result in a decrease in overall water conservation by limiting the ability of water wholesalers to implement regional water conservation programs that are partially State funded.

Recommendation: Include provisions in the criteria that will allow wholesalers to include all cooperators as participants in regional conservation programs that are partially State funded.

The proposed criteria state that under Water Code Section 10631.5, urban water suppliers who are “co-applicants, co-applicants or cooperators” of projects submitted for funding must demonstrate compliance with eligibility requirements for water management grants and loans. Water Authority member agencies are “cooperators” in our regional programs by promoting conservation at a local level and assisting customers in participating in

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regional incentive programs. Under the proposed criteria, the Water Authority would need to either discourage overall cooperation by member agencies or exclude those member agencies that are not fully compliant with the BMPs from our regional programs. This will reduce our ability to effectively implement regional programs using State funding.

Thank you for the opportunity to comment on the proposed criteria. If you have any question regarding this letter, please contact Toby Roy at (858) 522-6743.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maureen A. Stapleton', written in a cursive style.

Maureen A. Stapleton
General Manager