



VALLEY CENTER MUNICIPAL WATER DISTRICT

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March 9, 2016

Ms. Julie Saare-Edmonds
Water Use and Efficiency
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001

**Subject: Comments - Draft ITP Demand Management Recommendations,
February 13, 2016**

Dear Ms. Saare-Edmonds;

First of all I want to thank you for the opportunity to comment on the ITP Draft Demand Management Recommendations. Secondly, I want you and others to understand the context and perspective from which our comments come.

Valley Center MWD, located in north San Diego County, is a 36% SWRCB - mandatory conservation agency with a rapidly shrinking agricultural customer base and growing rural-suburban base. In FY 2003-2004 the District delivered over 50,000 AF of water; we are currently projecting just less than 20,000 AF for FY 2015-2016. That's a reduction of 60% in just over ten years. We have seen our domestic gpcd drop from 280 gpcd in July-September of 2014 to now just over 100 gpcd. What we have experienced here goes well beyond "conservation," into a dramatic sea-change in our water operations and financial reality.

It is from this context and perspective that we offer the following comments.

General Comments

In offering, recommending, advocating or adopting water conservation regulations, the ITP, DWR, SWRCB, or our legislature must keep an eye on practicality, technological limits, financial impact and political survival for local water agencies.

Any recommendations should consider:

Practically - Recommendations should be practical in the sense that what is being recommended can be accomplished within the reasonable bounds of normal water agency operations. In other words, the likelihood of a recommended measure cost effectively resulting in actual and significant conservation must be considered. In an environment of limited water agency resources, activities which do not result in immediate and identifiable conservation are not, in our view, practical.

Infrastructure and Technology Limits - Water agencies across California are not all created equal in terms of infrastructure and technology. Some of ITP recommendations will require data gathering and management which go well beyond the custom, practice and reasonable capacity of small to medium size water agencies, which represent most of the water purveyors in California. The reality is that not all agencies have the same level of technology or the financial ability to reach new levels of data collection and management. In fact, some cities and communities in California are still, to this point in modern water management, unmetered and bill their customers a flat monthly rate.

Financial Impacts - Customer resistance to water agencies raising rates while at the same time being mandated to reduce water usage (by 36% in VCMWD) is growing. Securing the funding needed for extra staffing and technology to meet some of the ITP recommendations would be difficult if not impossible. The alternative might be for a water agency to redirect funding away from maintaining and updating infrastructure or developing new resources to fund implementation of expensive, potentially ineffective state-mandated conservation programs. This is a short-term policy to deal with an imposed mandate fraught with the potential for long-term negative impacts on a water agency's ability to effectively manage water stewardship and conservation.

Political Survival - Most water in California is delivered by public water agencies, cities and special districts which are governed by locally elected Councils and Boards. Mandating implementation of measures perceived by the public as unnecessary, unreasonable, or unreachable by the public can lead to political instability on the governing bodies and at the agencies they govern. In adopting any new regulations, the local political aspect should be considered.

What Has Already Been Accomplished - Finally, through local effort and sacrifice, many water agencies have already met, and or in many cases exceeded, the current statutory requirement under SBX7X; the 2009 Water Package. As such, any and all new regulations should be viewed as "optional" if a water agency or community has achieved an overall statutory goal for conservation, such as the current 20%/2020 goal, or any successor goal, such as 30%x2030, and should only be mandated if that agency fails to meet the standard.

Comments on Specific Recommendations

Recommendations 4.0, 5.1; 5.3; 6.1; 6.3; 7-1A and 1B; and 7-5.

We are generally supportive of the following recommendations, but do offer limited comments, as follows:

4.0 - Turf Replacement Incentive – This should be done as a tax incentive from the state and not financed by water agencies;

5.1 - Add Irrigation to Home Inspections – This can be readily added to a current process and in the incentivized environment of people being motivated by selling a home;

5.3/6.2 - State Owned Facilities – State investment in water conservation measures should be evaluated in terms of the amount of actual conservation realized in the broader context of other state funding priorities; such as education, road repair, prison costs, etc.

6-1/6.3 - Strengthen MWELo/Triennial Update - One would assume that the purpose of the process envisioned on 6.3 would do what is suggested in 6.1, i.e., strengthen MWELo.

As for the three-year review cycle (6.3), a three year MWELo review cycle linked to the three-year CALGreen update cycle could be beneficial in that it would keep CALGreen code and MWELo consistent. Currently they are updated at different intervals and there is inconsistency between the two codes. An option here is to skip a MWELo update if an update is not appropriate at the three-year interval. Next update would be three years later, effectively pushing the update window to six years. With efficiency standards increasing for devices, the science would exist to support those updates every three years. Process changes would be the ones that would need to be moved to every six years to ensure they are worthwhile.

7-1A, 7-1B, and 7-5 - Efficiency Standards for Irrigation Equipment/Plant Labeling - These would be readily implemented by the private sector, would be complimented by media and education programs, and would build in passive long-term water savings.

Recommendation 5-2, Triennial Irrigation System Inspections

This recommendation is onerous and burdensome. Cities, counties, special district water agencies and privately owned public water companies do not typically collect the data needed to readily identify and notify properties with landscaping over one acre. The other question is who will have the inspection expertise and capacity to perform the inspections? Once the reports are generated and forwarded to DWR, does DWR have the resources to review and analyze the data?

An existing example of data with nowhere to go is our 2010 IRWM update. We did not receive the letter of approval for over three years after the date of submission. What will the same over-burdened DWR staff do with literally thousands of irrigation efficiency reports filed every three years?

This recommendation is clearly an example of expending public and private resources without an identifiable benefit to conservation.

Recommendation 7-2 - Irrigation Permits

This recommendation would require irrigation permits for any new irrigation system installation for any sized non-residential area or residential landscape 10,000 square feet or greater, replacement or expansion of a system by 25%. Such a requirement will be viewed by the public as unreasonable and, as such, unenforceable. Requiring such a permit, and all of the other design and specification requirements which will undoubtedly be associated with it, will actually be a deterrent to homeowners and businesses from taking the initiative to upgrade and improve their landscape and irrigation systems.

With performance standards required on new irrigation system equipment and recommended plant water use labeling and public education efforts, this recommendation is redundant and will actually be counter-productive.

Recommendation 7-4 - Reduced Capacity Fees

Peak demand on a property when first built does not guarantee that initial water conservation features will be maintained long-term. Once a property is connected and fees are paid, it would not be possible to collect additional capacity fees retroactively from the same or even a future owner. Further, what would a utility say to the next-door neighbor who had previously paid full capacity fees and subsequently changed landscaping and installed water use efficient appliances at personal expense to reduce peak demand? The setting of water rates/charges/fees is a local issue best left to the locally elected councils and board. Further, no two agencies are the same so it would be impossible to do anything with capacity charges that could be applied statewide.

This recommendation would be impractical, inequitable, and legally and politically problematic for a water agency to implement.

Recommendation 7-8 - Water Budget Performance Reporting - NOT ADOPTED BY THE ITP

There is a very good reason that this was not adopted by the ITP. The fact that something is technologically feasible does not make it practical or cost effective for implementation for all water agencies or, as in this case, necessary.

This is especially the case when the factors of up-front staff and hardware/software investments, on-going maintenance costs, technological incompatibles with some billing systems, limited availability and granularity of CIMIS data against the reality that this approach produces no predictable and identifiable return on investment in terms of conservation.

As stated above, as long as an agency is meeting its statutory conservation requirements, then this and other similar recommendations should be optional.

Again thank you for the opportunity to comment. Please feel free to contact our agency about our comments.

Sincerely;

A handwritten signature in black ink, appearing to be 'G. Arant', written in a cursive style.

Gary Arant
General Manager

cc: Jeff Stephenson, SDCWA