



September 24, 2010

Manucher Alemi, Ph.D., P.E.  
Chief, Water Use and Efficiency Branch  
Division of Statewide Integrated Water Management  
Department of Water Resources  
901 P Street  
Sacramento, CA 95814

**RE: Chapter 5.2 Process Water Use Reporting for SBX7-7 - Comments**

Dear Mr. Alemi:

The California Urban Water Agencies (CUWA) appreciates the opportunity that the California Department of Water Resources (DWR) has provided us by allowing our participation in the U5 Subcommittee of the Urban Stakeholder Committee (USC). CUWA has considered DWR's most recent draft Chapter 5.2 Process Water Use Reporting for SBX7-7 dated September 14, 2010, and has attached our recommended edits for DWR consideration, as you had requested at the U5 Subcommittee meeting on September 16, 2010. We would like to work with you to develop reasonable, implementable regulations that will avoid a disproportionate conservation burden on our customers, while at the same time helping to achieve overall Statewide conservation goals. We believe our recommended edits will help achieve these outcomes.

While we agree that DWR's proposed framework could present a viable option, we are concerned about the proposed trigger levels noted in the September 14, 2010 version of Chapter 5.2. In the initial USC and U5 Subcommittee discussions, DWR proposed a threshold of 4% above which an agency could remove its process water from the base and compliance years. Subsequently, at the August 5, 2010 U5 Subcommittee meeting, DWR proposed the threshold could be increased to 10%. Now, the September 14, 2010 draft has increased the threshold to 15%, for which there are very few water agencies in the State that would qualify. Additionally, the numbers do not consider that a small portion of the customer base may need to pick up the entire burden if any customer sectors (e.g., commercial, institutional, or residential) are not able to pick up a portion of the burden.

Therefore, we recommend that the process water threshold be returned to 10% as DWR had presented at its August 5, 2010 U5 Subcommittee meeting. Additionally, for those urban water suppliers whose process water volume is less than 10%, we recommend the percentage of process water that may be deducted under criteria option (b) be set at a relative percentage in relation to the 10% threshold assuming that the proposed DWR tier-level triggers noted in your

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September 14, 2010 draft of Chapter 5.2 remain unchanged. Our recommended changes to Chapter 5.2 are attached to this letter. In addition, in light of using a tiered approach to determining how much process water may be deducted, we do not think the additional criteria in the DWR draft should remain as a condition for eligibility.

We look forward to continuing to work with DWR and other stakeholders as they consider our proposed set of regional compliance principles as part of the USC process.

Should you have any questions regarding our enclosed information, please feel free to contact me at (916) 552-2929.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernesto A. Avila". The signature is written in a cursive style with a large, circular initial "E".

Ernesto A. Avila, P.E.  
Executive Director

EAA/mmt  
Enclosure

cc: Peter Brostrom  
Water Use Efficiency Branch  
SBX7-7 Program  
P.O. Box 942836  
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**California Code of Regulations  
Title 23. Waters  
Division 2. Department of Water Resources  
Chapter 5.2. Process Water Use Reporting for SBX7-7**

**§652.** Determination for Excluding Industrial Process Water from the gross water use calculation. This determination can be made:

1. When calculating Gross Water Use, up to 100% of process water may be excluded if industrial water use is equal to or greater than 10 percent of Gross Water Use.
2. When calculating Gross Water Use and the process water is less than 10% of Gross Water Use, the agency may deduct process water using any one of the following three criteria:
  - (a) If the percentage of total industrial water use to the total gross water use falls within the ranges, the percentage of process water may be deducted as indicated in each tier.
    - (1) Below 2.5 percent does not qualify.
    - (2) Between 2.5 and 4.9 percent, deduct up to 25 percent of process water.
    - (3) Between 5.0 and 7.49 percent, deduct up to 50 percent of process water.
    - (4) Between 7.5 and 9.9 percent, deduct up to 75 percent of process water.
  - (b) If the gpcd associated with industrial water use is greater than 20 gpcd, you may deduct up to 100% of your process water.
  - (c) If your gpcd from non-industrial water use falls within the ranges below, the percentage of process water may be deducted as indicated in each tier.
    - (1) less than 145, deduct up to 50 percent of your process water.
    - (2) 145-195, deduct up to 25 percent of your process water.
    - (3) 196-275, deduct up to 10 percent of your process water.
    - (4) 276-400, deduct up to 5 percent of your process water.
    - (5) Greater than 400, no deduction.