CITY OF
FOLSOM
DISTINCTIVE BY NATURE

May 1, 2015

Jeanine Townsend
Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Transmitted by email to: commentletters@waterboards.ca.gov

Dear Ms. Townsend,

The City of Folsom (City) recognizes the urgency of the proposed draft emergency regulations in response to current statewide drought conditions. As provided in the emergency regulations, the proposed conservation targets are intended to achieve a statewide reduction of 25% over a nine month reporting period. The City understands the difficult position of the Board in developing these short-term solutions as a result of Governor Brown's April 1, 2015 Executive Order. The City appreciates the opportunity to comment on the proposed draft emergency regulations and provides the following comments.

Inequity in Proposed Regulatory Framework

In the State Board's April 28, 2015 Fact Sheet, the emergency regulations established tiers of required water use reductions that emphasize the opportunities to reduce outdoor water use. This is further supported by the following statement included in the proposed emergency regulation fact sheet.

> *Everyone must do more, but the greatest opportunities to meet the statewide 25% conservation standard exist in those areas with higher water usage. Often, but not always, these water suppliers are located in areas where the majority of the water use is directed at outdoor irrigation due to lot size, climate, and other factors.*

As the City provided in its April 13, 2015 comment letter, the proposed R-GPCD is fundamentally flawed because it fails to reflect local factors, such as lot size and climate that affect R-GPCD. The State Board even recognizes the inappropriateness of using R-GPCD to calculate and compare water conservation effectiveness.

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It is not appropriate to use Residential Gallons Per Capita Day (R-GPCD) water use data for comparisons across water suppliers, unless all relevant factors are accounted for. Factors that can affect per capita water include: Rainfall, temperature and evaporation rates... population growth... population density... socio-economic measures such as lot size and income... and water prices.[1]

Also embedded in the proposed regulatory framework methodology is the incorrect assumption that a higher R-GPCD number represents "waste and unreasonable use" that must be addressed by the regulations. In some locations a "higher" R-GPCD may be appropriate for that area. In fact, it may only be higher because it is being compared statewide, not within the appropriate local region.

The current Emergency Regulations state: "*These three months reflect the amount of water used for summer outdoor irrigation, which provides the greatest opportunity for conservation savings.*"[2] From this premise, a 32% reduction is imposed on our ratepayers for all months – whether or not outdoor irrigation is actually occurring. The solution posed is inequitable during the winter months for City ratepayers. SWRCB's proposed regulations mandate that the City's ratepayers reduce their ***indoor use*** by over 30% during the winter months – a rate far more punitive than the rates imposed on other purveyors who live in cooler climates and more dense communities (where those locations 2014 summer baseline R-GPCD value reflects indoor use).

The City supports the proposed methodology discussed in the Regional Water Authority's (RWA) April 22, 2015 comment letter. This methodology includes accounting for climate differences across the state. Specifically, an evapotranspiration (ET) rate or other appropriate climatic indices would be factored in to the proposed regulatory framework. This will help equalize the responsibility of conservation among inland and coastal regions of the state.

Framework and Implementation

The City has invested millions of ratepayer dollars to carefully plan and implement water management measures that have positioned the City to continue reasonable water service to its ratepayers during periods of drought or other water supply disruptions. In other words, the City has planned for its water supply reliability for 2015 and beyond through sound management and sound investments so that its ratepayers' needs are met.

Implementing the draft regulations will be challenging and will likely have significant impacts--both on customers and the revenues and fiscal stability of water suppliers. The City urges the Board, its partners at the California Department of Water Resources, the administration and the Legislature to expedite the appropriation and award of grants

[1] http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/conservation_reporting_info.shtml.

[2] April 18, 2015 Fact Sheet, p. 2.

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from the $100 million authorized for water conservation provided by Proposition 1. This is especially important because the summer months are rapidly approaching and as explicitly expressed by the State Board, these months provide the best opportunity to achieve outdoor water savings.

Furthermore, we urge the prioritization of the available funding to those water suppliers that are assigned the upper compliance tiers to support their greater contribution to the statewide target. The level of public outreach messaging, media engagement, conservation programs and enforcement needed to achieve these revised conservation standards will require substantial additional funding in a short time frame, which is not conductive to the longer term process needed to legally adjust water rates. The recent court decision in the case of San Juan Capistrano illustrates the difficulty water suppliers will have in promoting conservation through rates.

In terms of implementation of this proposed regulatory framework, water suppliers need time and resources to message their updated reduction targets. Water savings will largely depend on customer response and communicating these new targets. Recommended conservation actions will need continuous and constant messaging over time to be effective. The expectation that water suppliers, especially those at the higher tiers, will meet their monthly targets every month is unrealistic due to monthly variations in weather, utility operations, customer response, public outreach and media coverage. Where water suppliers are making good faith efforts to comply, early and punitive enforcement actions will undermine, rather that promote, conservation progress.

Summary

As discussed above, the City's ratepayers have invested to carefully plan and implement water management measures that allow the City to continue reasonable water service to its ratepayers during periods of drought. The City believes that the proposed conservation targets should be modified to include conservation targets that incorporate local climatic conditions. The SWRCB identified the potential savings to be the greatest during the summer months, but applies the same conservation standard to the winter months when the expectation of savings would not be the same.

With an overall reduction target of 32%, the City supports the Board's proposal that allows an agency to factor in total water use across all sectors to achieve the savings. With only a single water supply source, surface water from Folsom Lake, total water savings achieved by the City directly result in water not taken from Folsom Lake. Any action taken by the City and its water customers to reduce the amount of water diverted from Folsom Lake (the City's only water supply source) should be counted as water conserved based on the overall water conservation target for the state.

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Thank you for the opportunity to comment on the draft regulations and we look forward to hearing the Board's response to our comments. If you have any questions, please contact me at (916) 355-7201.

Sincerely,

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