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Board of Directors

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Director of Administrative Services/Treasurer Annie Liu State Water Resources Control Board Submitted via email: commentletters@waterboards.ca.gov

October 17, 2023

Re: Proposed Making Water Conservation a California Way of Life Regulation

Dear Members of the Board:

The Citrus Heights Water District (CHWD) appreciates the opportunity to comment on the Proposed Making Conservation a California Way of Life Regulation. This regulation, which requires all California urban water suppliers to meet the same targets, is too stringent and ignores water supply investments. CHWD is an advocate for water efficiency. We understand our customers' needs and know our programs and water supply better than anyone else. We should have the flexibility to address our needs in the most effective way possible.

The purpose of the 2018 Senate Bill 606 and Assembly Bill 1668 (collectively known as the Conservation Legislation) was to promote long-term efficient water use for the residential and commercial, industrial and institutional dedicated irrigation meter (CII DIM) sectors, not to establish a "how low can you go" approach. Efficient outdoor use should be set at a level that can be maintained over time; is achievable by and affordable for the average resident; and supports healthy landscapes.

CHWD believes that local communities should make decisions about water use that reflect our local circumstances, including available water supply. Water use in our region is down more than 50% since 1999 and the supply is often so ample that additional consumption would not significantly impact Delta outflows or storage in Folsom Reservoir. The Water Conservation Act of 2009, SB 7-7, set reduction standards for the State. Our customers have reduced consumption by nearly 30% from 2013 levels. Further reductions will impact our ability to meet minimum health and safety standards and keep our trees and green spaces healthy.

Our overarching concern is that the proposed regulation will adversely impact affordability and quality of life for all customers. This regulation is an unfunded mandate that will force water providers to raise the fixed portion of our rates for our customers. These increased costs will disproportionally impact those who can least afford it. Our service area has two large areas that are considered disadvantaged as defined by the federal government's Climate and Economic Justice Screening Tool.

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Our hope is that water suppliers and State Water Board staff can work together to redline the regulation text with mutually beneficial improvements to increase the chance for a successful implementation of this regulation.

CHWD supports the recommendations, concerns and redlined regulation text included in the Association of California Water Agencies' (ACWA's) and the Regional Water Authority's (RWA's) Comment Letters and calls your attention to the following recommendations and comments:

- The draft regulation's timelines concerning both the outdoor water use standards and the CII Performance Measures present inherent challenges. There must be a balance between regulatory compliance and maintaining fair water rates for our customers, and we urge the State Water Board to allow for more time to comply.
- It is unreasonable and inaccurate to designate irrigated landscape area measurements based on only one set of imagery as the baseline for long-term landscape budgets. DWR's recommendation of 20% Irrigable, not Irrigated (INI) buffer, was proposed as a compromise to account for undercounted irrigated areas due to aerial imagery limitations, while still meeting water savings goals. Because the intended purpose was data accuracy, it does not make sense for the 20% INI buffer to only apply through 2027 as the State Water Board states in Section 968(b)(2)(B) of the regulation. DWR's recommendation of a 20% INI buffer for all regulated years should be reinstated.
- The draft regulation contains observed data gaps and inaccuracies, including landscape area measurements and population, and in the application of Model Water Efficient Landscape Ordinance principles, including effective precipitation and irrigation efficiency.

The draft regulation's methodology should recognize that there are and will continue to be inherent data quality limitations and variability that impact suppliers' compliance with their water objectives. We recommend that the SWRCB include a "Data Error Adjustment" (DEA) in the formula for calculating suppliers' water use objectives. The DEA would be a percentage applied to a supplier's budget for efficient indoor residential water use; efficient outdoor residential water use; and efficient water use on a CII landscape with a dedicated irrigation meter or equivalent technology. The DEA would recognize suppliers' historic progress and achieved savings (SB X7-7 based) and acknowledge that data used to develop and evaluate standards has intrinsic errors. We support ACWA's recommendation of a five percent DEA for suppliers achieving less than 20 percent reduction from SB X7-7, and a 10 percent DEA for suppliers achieving 20 percent or greater of reduction from SB X7-7.

• In Section 973(a)(c), the regulatory language implies that suppliers must take up an action (e.g., installing dedicated irrigation meters or employing in-lieu water technologies) on a customer's behalf. While CHWD can offer programs, rebates and

incentives, it cannot require customers to act or implement in-lieu water use technologies. We suggest changing "employ" to "offer" in these sections.

- In Section 974(a), the regulation places a significant burden on suppliers' limited resources by requiring them to identify all disclosable buildings (including square footage) in their service areas by 2025. Suppliers do not have or maintain square footage information to comply with this requirement. In addition, square footage does not necessarily correlate with water use. We request that the State Water Board eliminate this requirement.
- In Section 974(e), the regulation requires water suppliers to ban the irrigation of non-functional turf with potable water for all CII landscapes by mid-2025. This conflicts with AB 1572, which will not ban the irrigation of non-functional turf for most CII customers until 2028. Section 974(e) should be eliminated.
- In Section 975(a) of the regulation, the State Water Board appears to require dual or duplicative reporting for suppliers as suppliers are required to report to DWR via statute and State Water Board via the regulation text. Dual reporting of the same information to two different state agencies is redundant and could undermine data quality. The regulation should limit unnecessary redundancies by having suppliers submit reports only to DWR. The State Water Board could then develop a protocol for data sharing with the State Water Board to obtain the necessary information.
- The Conservation Legislation allows for water suppliers' calculations to be based on "conditions for the previous calendar or fiscal year." (Water Code § 10609.20, subd. (b).) Section 975 of the draft regulation requires fiscal year reporting. This is inconsistent with the State Water Board's adopted Water Loss Regulation, which allows reporting on either a fiscal or calendar year, and water loss auditing, which DWR requires on a calendar year. Additionally, the outdoor standards change on a fiscal year basis while the indoor standards, per legislation, change at the calendar year. The State Water Board should allow for flexibility in reporting and make shifts in objectives consistent.
- The 2035 outdoor standards of 0.55 and 0.45 are unacceptable from a technical and practical standpoint. The 0.55 and 0.45 ETAF/LEF (residential and CII DIM respectively) are Model Water Efficient Landscape Ordinance (MWELO) design standards and are not broadly and reasonably achievable in the real-world for the average person or business, especially for established existing (pre MWELO) landscapes. This regulation should reinstate DWR's recommendation of 0.63 ETAF/LEF for existing residential and CII DIM landscapes as a minimum value for 2035 compliance and beyond and extend 0.8 ETAF/LEF until 2034.
- In Section 969(a)(5), the residential factor for residential pools should be the same as public pools, which is 1.0. Not allocating enough water to residential pools further reduces the residential outdoor budget. Most pools are not subject to MWELO, as they

are generally in backyards and existed prior to MWLEO. Pool covers are generally not effective, as they are typically unused in the summer months when pools are used frequently. Residential pools should not be a temporary provision.

• The regulation include a temporary provision for only new "climate ready" trees but ignore existing trees, which are just as valuable, if not more valuable. The US Forest Service (fs.usda.gov) states the following, "Trees in a community help to reduce air and water pollution, alter heating and cooling costs, and increase real estate values ... Urban forests [capture and store] atmospheric carbon dioxide during photosynthesis, and [influence] energy needs for heating and cooling buildings ... In the contiguous United States alone, urban trees store over 708 million tons of carbon (approximately 12.6% of annual carbon dioxide emissions in the United States) and capture an additional 28.2 million tons of carbon (approximately 0.05% of annual emissions) per year. The value of urban carbon sequestration is substantial: approximately \$2 billion per year, with a total current carbon storage value of over \$50 billion ... Urban trees can help control runoff from [storms and flooding] by catching rain in their canopies and increasing the infiltration rate of deposited precipitation ... Well-maintained urban forests help buffer high winds, control erosion, and reduce drought."

We are concerned that the outdoor standard will lead to unhealthy landscapes and diminished tree health that will negatively affect the environment. Specific to the Sacramento region, a California Natural Resources Agency report cites Sacramento lost 8% of its tree canopy and another 11% were in poor condition after the 2012-2016 drought, when outdoor watering was significantly reduced. During this drought, the Sacramento region saved 24.6% compared to the 2013 drought baseline year. The regulation will require California suppliers to conserve 24% on average to be in compliance in 2035, using 2021 data as a baseline. As this regulation will be in effect for the foreseeable future, the negative impact to tree health will be much more significant in future years. It is imperative that this regulation allow our healthy landscapes to remain alive, and we request a variance to protect existing tree health.

- Suppliers have limited or no control over several factors that directly contribute to the success of the regulation including:
 - Land use policy and ordinances governing outdoor water use and plant type and quantity;
 - o Limiting water use beyond prohibiting water waste;
 - o Customer compliance with irrigation schedules; and
 - Residential and CII customer participation in water efficiency programs, outreach messaging, etc.

The regulation should recognize supplier limitations related to compliance and outdoor standards.

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• To comply with the regulation, CHWD will need to hire new staff and/or consultants, which will primarily be funded by customer rate increases unless significant state funding (in the billions statewide) is provided on an on-going basis. Requirements that do not result in water savings should be eliminated, including, but not limited to, disclosable buildings, EnergyStar Portfolio data gathering and Tree City USA certification. Moreover as a special district (not a city), CHWD cannot obtain a Tree City USA certification.

Between October 1, 2022, through the end of May 2023, nearly 89% of the inflow to the Delta flowed out to the ocean. That is 23.2 million acre-feet of water that went straight to the ocean, which was millions of acre feet more than was needed for environmental or other public trust uses. In the Sacramento region, we do not have sufficient water storage, and we lack options that allow us to effectively use and manage the abundance of water we have.

Legislators have already dialed in progressive, uniform requirements for indoor water use that don't consider supply or local circumstances. Our community may struggle to comply if the overall objective lacks flexibility. We request that the State Water Board avoid stringent, design-based outdoor standards and allow for flexibility with performance measures.

The draft regulation will replace healthy waterwise landscapes with struggling landscapes and trees. It will put severe financial hardship on suppliers, even if they are projected to "meet" their objective because the regulation is loaded down with numerous requirements that do not yield water savings and include repetitive reporting. CHWD, like all other State water agencies, serves the public good, and additional costs fall disproportionately on economically disadvantaged ratepayers.

Our Constitution allows California to make policies that consider local values. Article X, Section 2, of the state constitution also states, "The general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable." CHWD does not oppose using water wisely; CHWD opposes regulations that impose excessive costs on our community and strip away our ability to make local decisions. This regulation must be revised to account for local water supply and consider the best interests of our communities. Therefore, we are requesting the Board direct staff to work with suppliers and ACWA to amend the regulation text with mutually beneficial improvements that will increase the chances for successful implementation of this regulation.

Sincerely,

Raymond A. Riehle

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President

CHWD Board of Directors

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cc: CHWD Board of Directors RWA Executive Director

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