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December 18, 2015

VIA EMAIL TO: Christian.Carrigan@waterboards.ca.gov

Christian Carrigan, Esquire Director, Office of Enforcement State Water Resources Control Board 1001 | Street Sacramento, CA 95812-0100

SUBJECT: **PCWA Water Conservation Warning Letter**

Dear Mr. Carrigan:

Placer County Water Agency is in receipt of your form letter dated December 9, 2015, which notified PCWA that its cumulative water conservation had fallen more than 1% below the conservation target of 32%, set for PCWA by the State Water Board. You advised PCWA to immediately take additional steps to enhance its water conservation efforts, noting a list of actions that PCWA should consider, and finally warning PCWA that the State Water Board may initiate formal enforcement if PCWA does not meet its conservation requirement in the future.

First, let me say that I am extremely proud of the dedication and sacrifice displayed by PCWA's customers who exceeded the 20% conservation goal established in 2014 and 32% water conservation mandate of this summer. Despite having sufficient local water supplies to meet normal demands, PCWA customers responded to the drought and the call for conservation in exemplary fashion. They should be recognized and applauded for their efforts and their response. I also applaud the leadership of PCWA's elected Board of Directors and the hard working PCWA staff who have guided us through this difficult drought with unwavering resolve and determination to meet our conservation target.

Efforts put forth by PCWA to implement water-saving practices have been distinguished as some of the best in the state. In 2014 and 2015, the California Municipal Utilities Association awarded PCWA its Resource Efficiency and Community Service Award, which recognizes water programs that effectively save and use water resources through

innovation. The judging panel included the State Water Board's Deputy Director of Drinking Water. PCWA also follows all the Best Management Practices advocated by the Californian Urban Water Conservation Council.

In response to the drought, the average PCWA residential household reduced its summer 2015 water use by about 211 gallons per day, compared to a requirement of only 44 gallons per day for residential households in the City of Los Angeles. The impact of meeting PCWA's 32% conservation mandate has resulted in unprecedented destruction of outdoor landscapes, a decrease in property values, and a reduction in quality of life in our community. The same cannot be said for communities in the cooler and more densely populated coastal regions of the state, which had significantly less onerous requirements. Our citizens are only now beginning to recognize the inequity of the State Board's conservation requirement plan, and realize that while we gave much, other regions of the state, including communities much more reliant on the State and Federal water systems, suffered significantly less.

As to your list of recommended actions, PCWA has already implemented all of them:

Further reducing the number of days and/or runtimes that irrigation is allowed

PCWA's adopted Water Shortage Contingency Plan restricts outdoor watering to two days per week through November, with no watering in the winter months. However, in response to the severity of the drought, PCWA asked customers to cut back outdoor watering to one day per week in November. We placed ads in local newspapers, used freeway billboards, purchased targeted social media ads, and sent out press releases to capture the attention of our customers and mobilize their response to reduced watering days during the drought.

 Reminding customer that outdoor irrigation is prohibited during and 48 hours following measurable precipitation

PCWA's Water Shortage Contingency Plan includes this prohibition and defines measurable precipitation as ¼-inch of rainfall. The prohibition is printed on our water waste and customer outreach door tags as well as in letters sent to all customers requesting their help in meeting our 32% conservation target, and through social media.

 Increasing staffing and budgets for water conservation messaging/outreach, surveillance, and enforcement

Three part time, temporary staff were hired for the drought and two employees have been hired permanently. Weekend outreach events have nearly tripled in 2015 over previous years, requiring additional funding for overtime and outreach materials. PCWA's Board approved an additional \$30,000 for agency specific outreach, and contributed an additional \$20,000 to extend the regional water efficiency advertising campaign into the fall and winter months. The Board also approved using \$150,000 from reserves for targeted drought efforts. Funds from other activities have been transferred to augment the depleted water efficiency advertising, consulting, and printing budgets during the drought.

Imposing fines for water waste or violation of conservation requirements

PCWA's Water Waste Prohibition includes an initial warning notice, then a second, third, and fourth violation level, with the third and fourth levels having punitive charges. Customers can report water waste using a form on PCWA's website, by email, and via our innovative mobile app. We have heightened use of this process in 2015 and customers have been diligent about reporting waste and responding to their waste once notified.

Finding and repairing system leaks

During the drought, our field crews have placed increased emphasis on leak repairs. In a normal year, we repair approximately 250 water leaks. The number of leak repairs increased to more than 300 in both 2014 and 2015. Even the smallest of leaks is now rapidly repaired. Further, the expediency with which we fix the leaks has taken on increased importance as crews work extended shifts and overtime in making leak repair a priority. These efforts have come at a cost, as we have postponed larger pipeline maintenance projects and even prolonged lead-time on new service connections.

Adjusting rate structures to incentivize water conservation

PCWA has had a steeply inclining rate structure, designed to encourage conservation, for many years.

Reviewing water meter data to identify high water users for targeted outreach

Around 7% of our annual water use comes from a few hundred customers with dedicated irrigation meters. PCWA has sent monthly water budgets and water efficiency reminders to these customers since 2013. When the PCWA Board approved additional drought funding in June, we hired temporary staff to make contact with each

dedicated irrigation customer receiving a water budget, and permanent staff met with landscape and maintenance personnel onsite. By October, the readership of our water budget reports went from 40% to 98%, and the conservation levels of these customers in 2015 average 40% compared to 2013.

In September, we analyzed our water meter data to identify our top 20% residential water users who had not conserved at least 32%, and reached out to them through direct mail to request increased efforts. We also re-analyzed our non-residential accounts to identify large water users and opportunities for enhanced conservation.

Water for the American River

In addition to the above measures to reduce consumption consistent with state mandates, in both 2014 and 2015 PCWA released extra water from its Middle Fork Project reservoirs for transfer to agencies below the mouth of the American River. This additional release of water helped maintain storage in Folsom Reservoir and enhance the available pool of cold water, and when released it augmented flows in the Lower American River, all of which provided net environmental benefits.

Summary

During the summer months of 2015, PCWA customers consistently exceeded the State set conservation mandate. In the month of July, for example, the conservation level was 38.1%. However, as we move into winter, the opportunity to conserve becomes much more difficult. Data the state has collected during the drought demonstrates that winter per capita demands, which are primarily indoor uses, are essentially the same for hotter inland regions as for coastal regions; yet inland regions such as ours typically have a conservation mandate of approximately double that of the coastal regions. Expecting our region to conserve twice as much indoors, as others using the same amount, increases the inequity of an already inequitable standard. PCWA actively participated in the public comment period prior to, and since, adoption of the conservation standard. In both cases, PCWA suggested changes that better reflected local water supply conditions and factors such as climate.

PCWA aspires to continue doing its part for the greater good of California, yet doing so requires the ongoing goodwill of our customers. Our region has already suffered disparate financial and quality of life impacts as a result the State's conservation mandate plan, and we believe the threat to carry unfair and inequitable mandates into the winter season, with threats of formal enforcement, will destroy the remaining goodwill of our customers and significantly diminish their willingness to assist the

statewide effort. Nobody wins in that situation, and that is of special concern considering our customers were among the state's highest conservers in 2014 and 2015. By using punitive approaches and having unreasonable expectations, the state's enforcement will only result in discouragement.

To maintain the goodwill of our customers and the effectiveness of their conservation efforts, we respectfully request that the Office of Enforcement revise their letter in order to acknowledge our aforementioned accomplishments and to withdraw the threat of formal enforcement.

Sincerely,

PLACER COUNTY WATER AGENCY

Einar L. Maisch, P.E. General Manager

cc: Dr. Matthew Buffleben, Chief, Office of Enforcement

Felicia Marcus, Chair, State Water Resources Control Board

State Senator Jim Nielsen

State Senator Ted Gaines

State Assembly Member Beth Gaines

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