

IRVINE RANCH WATER DISTRICT

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March 9, 2015

The Honorable Felicia Marcus c/o Jeanine Townsend, Clerk to the Board State Water Resources Control Board 1001 I Street, 24th Floor Sacramento, CA 95814

RE: 3/17-3/18 BOARD MEETING: "Consideration of a proposed Resolution amending and readopting drought-related emergency regulations for urban water conservation"

Dear Chair Marcus:

Thank you for the opportunity to provide comments for the State Water Resources Control Board's (SWRCB) consideration as it weighs readoption of proposed emergency regulations related to urban water conservation and drought response. The Irvine Ranch Water District (IRWD) understands the importance of preserving California's water supplies and supports the SWRCB's consideration of the March 6, 2015, proposed regulations in light of the continued drought.

As previously discussed with the Board, the backbone of IRWD's water conservation and water use efficiency efforts has been its allocation-based tiered rate structure, which is compliant with California Water Code Section 370, and targeted customer outreach. The District has used an allocation-based tiered rate structure for nearly twenty-five years, and has continued to refine its rate and allocation structure to promote wise use of water within its service area.

Allocation-based tiered rate structures have formed the foundation of IRWD's Water Shortage Contingency Plan because the rate structure allows the District to respond to limited supplies through strong price signals, which subsequently result in the greatest conservation response from its customers. Implementation of IRWD's allocation-based tiered rate structure, in addition to other measures undertaken by the District, has produced superior savings compared with imposing a mandatory ban on outdoor irrigation. The District has achieved a 156 percent greater savings than would have occurred if the District had implemented mandatory two-day per week watering restrictions only.

IRWD appreciates the SWRCB's continued recognition of the role allocation-based tiered rate structures play in achieving long-term conservation savings and drought response. The District supports the March 6, 2015, proposed regulations' continued acknowledgment of allocation-based tiered rate structures as an alternative means by which to increase water savings, and supports the proposed changes to Section 865(b) that further clarify the role of approved alternative plans.

Preserving the use of allocation-based tiered rate structures to respond to the drought will not only continue to reduce water use and demand during the current shortage, but will also result in sustained conservation gains. As the SWRCB considers future conservation measures, we urge the Board to adopt measures that will result in long-term water efficiency including incentives for agencies to move to an

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allocation-based rate structure, which encourages conservation and reduces an agency's dependence on water sales. IRWD, in partnership with other agencies that have allocation-based rates, is developing a "How to Guide" based on our collective expertise that will offer practical suggestions on how to successfully implement these rate structures. We hope this will be a useful resource for agencies interested in adopting allocation-based rates as part of their conservation strategy.

Thank you again for considering our comments on urban conservation and drought response. Please do not hesitate to contact me at (949) 453-5590, or our Sacramento Advocate, Maureen O'Haren, at (916) 498-1900 if we can be of assistance to you or your staff.

Sincerely,

Paul A. Cook General Manager