Mr. Paul Massera  
Manager, Strategic Water Planning Branch  
California Water Plan Update 2018  
Statewide Integrated Water Management  
California Department of Water Resources  
Attn: Francisco Guzman  
P.O. Box 942836  
Sacramento, CA 94236-0001

Subject: Comments on the California Water Plan Update 2018, Public Review Draft

Dear Mr. Massera:

Eastern Municipal Water District (EMWD) appreciates the opportunity to provide comment on the California Water Plan Update 2018, Public Review Draft, released on December 21, 2018 (Water Plan 2018). EMWD is a water, wastewater and recycled water producer, serving 750,000 customers in southwest Riverside County, with a proactive approach to water management and sustainability. We appreciate the time and effort that has been invested in Water Plan 2018 and provide the following comments for your consideration.

General Comments

Water Plan 2018 describes the need for proposed actions to improve water sustainability and the resources required to implement those actions. It is focused on the roles and responsibilities of the state, but improving water management will also require significant resources and coordination at the local and regional level. Any recommendations should include consideration of the local role and the impact state actions may have on the ability of local agencies to implement programs that address sustainability goals.
Executive Summary

EMWD supports the goal of improved ability to manage water resources for sustainability. While identifying potential funding sources and tracking outcome are important components of planning for the future there are several additional actions necessary to realize the vision projected in the Water Plan 2018 that are not addressed. A vital part of the roadmap moving forward is the prioritization of any recommended actions and quantification of the benefits towards improved sustainability. The Executive Summary of the Water Plan 2018 should include acknowledgement that there are several future steps necessary to achieve the goals outline in the Water Plan. These steps will require coordination by both the state and local level to implement.

Chapter 1

Page 1-3 California’s Diverse Water Supply and Uses, first paragraph

Add clarifying language to the paragraph:

The timing, quantity, and location of precipitation in California are largely misaligned with agricultural and urban water uses. California's water resources are managed in part to address this misalignment. California's water is also managed for restoring and enhancing terrestrial, wetland, and aquatic ecosystems.

Page 1-4 and Table 1-1

Please add definition and detail for the Applied Water and Water Supply categories listed. Please provide detail about the water uses included in:

- Large landscape
- Commercial
- Industrial
- Energy production
- Residential – Interior
- Residential – Exterior
- Conveyance Applied Water
- Groundwater Recharge Applied Water
- Applied Water – Crop Production
- Managed Wetlands
- Minimum Required Delta Outflow
• Minimum Instream Flow Requirements
• Wild and Scenic Rivers

Please include detail and examples on the sources included the water supply types:

• Instream Environmental Supply
• Local Projects
• Local Imported Deliveries
• Colorado River Project
• Federal Project
• State Project
• Ground Water Extraction
• Inflow and Return Flow for Carryover Storage
• Reuse and Recycled Water

Chapter 2

Page 2-4 Changing Demands for Water

Although the increased demand for water caused by population growth can be a challenge to sustainability, increases in water use efficiency can help offset that demand. Demand hardening is a consideration in water management, but one of the long term benefits of improved water use efficiency is increased sustainability.

Chapter 3

In Chapter 3 the proposed actions for sustainability are briefly described. Additional specifics of the proposed action will need to be developed through a cooperative effort with local and regional water managers. Before funding or implementing the recommended actions, prioritization must occur, and information must be developed on how the recommended actions correspond to local, regional and other statewide action. A cost and benefit analysis is also required to determine how the recommended actions meet sustainability goals.

Recommended Action 1.3

Please define “working landscape“.
Chapter 4

Chapter 4 includes the estimated funds needed to implement the recommended actions and a brief overview of existing and potential funding mechanisms. The recommended actions are assumed to be unfunded but the details about cost assumptions are not included in Water Plan 2018. Additional novel funding mechanisms have been identified for consideration without evaluating the potential impact on local funding resources. As noted throughout Water Plan 2018, eighty-five percent of the funding for water management projects comes from local resources. Prior to implementing novel funding mechanism, the impact to the local funding stability should be considered. Recommended actions should be refined through a stakeholder process that includes local and regional water managers, prior to developing funding opportunities.

In addition to the comments on Water Plan 2018, EMWD has prepared comments on the supporting documents available in December of 2018 in the attached document. For the development of both funding mechanisms and sustainability indicators, close coordination with local and regional stakeholders is required.

Thank you for your consideration of our comments. EMWD looks forward to being a partner in implementing the vision described in Water Plan 2018 and improving sustainability across the state.

Sincerely,

Elizabeth Lovsted, P.E.
Director of Water Supply Planning

Attachment(s)/Enclosure(s): California Water Plan Update Comments
Funding Mechanism Inventory and Evaluation

Funding Mechanism Attributes

1. Political Viability (pg. 2): “The political viability of these novel funding mechanisms must be considered, as voters and policy makers may have opposed them in the past.”
   a. Consideration should be given to the potential impact of novel funding mechanisms on local agencies – for example, water shortage contingency plans (WSCP) can be used to indirectly raise or lower the price of water as a signal of supply conditions (by decreasing available water in lower cost tiers) to customers, some funding mechanisms may mute the price signal (water bill stays high) or even reduce the political acceptability of WSCP rate increases.
   b. Should equity be considered? Ratepayers may want to know that any fees that are being paid are contributing to the reliability of their water supply and infrastructure.

Funding Mechanisms Considered in the California Water Plan Update 2018

1. “...funding analysis was performed to outline how to pay for the recommended actions, listed in Chapter 3 of the California Water Plan Update 2018.” (pg. 2).
   a. Chapter 3 lists goals and associated costs, but does not provide detail projects or quantify additional water supplies that are developed as a result of new funding.

2. “The novel mechanisms would supplement, not replace, current funding mechanisms” (pg. 3).
   a. Should guidelines be developed to signal when a novel funding mechanism is required?
   b. Based on project timelines, when are current funding mechanisms expected to prove inadequate and what is the resulting fiscal deficit?
   c. When does the ability to administer the novel funding mechanisms need to be in place, how much funding is needed for each fiscal year, and what is the timeline?

Novel State Funding Mechanisms

1. The impact of implementing novel funding mechanisms on local agency ability to fund programs for sustainability should be considered.

Water Surcharge Fee

1. “…funds could also be used toward multi-benefit projects that have components relevant to other water sectors beyond water supply reliability.” (pg. 11)
   a. Multi-benefit projects need to primarily address the needs of rate payers.

Risk Reduction Insurance

1. Political Viability - “…program is dependent upon political support of shifting risk and potentially liability for disasters onto the State.” (pg. 13)
   a. Has evaluation determined the potential exposure that would be shifted to the state?
Water Markets
1. “...buyers and sellers to transfer the use of water through exchanges, one-time purchases, short term leases, long term leases, or permanent sale of water rights... revenue could be generated from water markets by assessing a fee or per unit charge...” (pg. 14)
   a. Would this impact in-lieu type programs? (For example, where agricultural users are provided recycled water in exchange for groundwater pumping rights) If so, action could result in a de-facto penalty for some programs geared towards increasing water supply reliability.

Local Funding Mechanisms
1. “Local funding of water resources management occurs by cities, counties, and special districts. The local funding mechanisms support most of the local ongoing water resources management actions...” (pg. 21)
   a. Has the impact of novel funding mechanisms on local funding been evaluated?

2. Role in a Water Management Funding Plan - “...annual local funding levels in the recent past (2006 – 2015) are assumed to continue at either the annual average or historical maximum level for the next 50 years.” (pg. 22)
   a. Areas that are not built out may see significant growth in local funding due to increasing water sales (even if per capita usage is reduced, net usage can increase). Assumptions should address funding generated by new development.

Funding Scenario Analysis

Funding Tool
1. Funding Tool Background and Overview – “The data, assumptions, and scenarios evaluated in the Funding Tool have been developed and reviewed by DWR staff with input from the Policy Action Committee and California Water Plan stakeholders.” (pg. 5)
   a. Will data, assumptions and tool be available for external review?

2. Funding Tool Detail – “...allocating available capacity of State, local, and federal funding mechanisms across the different water resources management actions...” (pg. 5)
   a. What were the specific actions considered?

3. “...weighted outcome score of the management action...” (pg. 5)
   a. Are additional details available with respect to the outcomes and determination of the weighting?

4. “...certain scenarios also force minimum levels of funding for each of the five water sectors to mimic historical funding patterns.” (pg. 5)
   a. How were the minimum funding levels “baselined” against historical patterns?
   b. How flexible was the schedule? Was there a scenario that deferred or accelerated projects to balance the annual spending requirements?
5. “...tool is an optimization model; the objective is to maximize the contribution to societal values, funding mechanism applicability, and funding towards the sustainability outlook.” (pg. 7)
   a. Define how the model evaluates “societal values” and “sustainability outlook”?

6. Funding Tool Data – “...tool imposed adjustments on historical expenditures across all State, local and federal agencies.” (pg. 7)
   a. Which adjustments were made beyond the example cited in this section?
   b. What was the reason for the adjustments needed?

Sustainability Outlook Indicator Descriptions and Methodologies

1. Some of the indicator descriptions require context on how feasible the intended outcomes are. For example, the description for the proposed indicator of having no impaired water bodies (EV5) gives the impression that simply having data on impaired water bodies will resolve the problem.

2. Many indicator descriptions include claims or assessments made without referencing supporting evidence. For example, in reference to HE12: What evidence supports the claim that “this indicator could also assess the flexibility of California’s water resources to changing hydrologic and regulatory conditions, while also evaluating progress in achieving greater regional self-reliance statewide?”

3. Define “viewshed”?

4. The Sustainability Outlook encourages indicators and outcomes to be analyzed at a watershed scale. However, language in the indicators is vague on regional and local input and does not address who/what is responsible for the recommended actions. (See EV3, page 4-56 for an example).

5. A lot of the language in the individual indicator write-ups does not acknowledge actions already taken by local and regional entities. Many state, local, and regional entities are already working towards many of the intended outcomes in this document. This can be acknowledged by including the progress made thus far in the indicator descriptions.

6. Throughout the Sustainability Outlook Indicator Descriptions, even though it is acknowledged that small water systems “are challenged by lack of technical, managerial, and financial capacity to address violations and underlying causes,” it is not addressed how these challenged water systems can collect the data that DWR has recommended should be gathered (and gathered by whom?). See PH3 for an example.

7. Some recommendations are suggested as proposed requirements. Please see:
   a. "Recommendations" on page 4-32;
   b. EV8, page 4-78; and
   c. HE3, page 4-89.
8. **On page 4-85, under “Importance and Screening Considerations,” it is stated “Achieving statewide water use targets will help limit and lower actual water use levels.”** Could be rewritten to “Achieving statewide water use targets will help ensure efficient water use.”

9. **HE3, page 4-88, “…The target outcome for this indicator is zero distribution system leaks and losses, indicating no money or energy is wasted following treatment and pressurization of water.”** A target of zero losses is not feasible. Please see the Municipal Water District of Orange County’s comment letter focused on this topic.

10. **HE11, page 4-115, “…encourage investigation into local market indicators.”** Is it investigation or investment?

11. **HE11, page 4-116:** include the studies and reports that support the assertion that this indicator can determine how different region’s costs of water are impacted by different stressors in the indicator description.

12. **HE11 could be misinterpreted by the general public.** Some agencies have increased water rates because customers have conserved, low supplies are not the only reason rates increase.

13. **HE14:** This indicator may provide more benefit if population sizes are considered. A per capita or per acre value of assets could indicate where exposed assets are concentrated.

14. **OEE3:** Can figure 4-34 instead show the percent of student populations reached per county?

**Possible Typos**

1. Page 3-4, “Characteristics of an indicator that is supportive of decision-making include:”
2. **PHS4:** page 4-17 and 4-20, "Currently, no statewide water contact recreation standards exist for freshwater streams and lakes, although adoption of statewide bacteria water quality standards across freshwater and coastal waters is scheduled for early 2018." Is 2018 a typo? If not, were the referenced standards adopted?
3. **Page 4-36,** what is the superscript 1 in the 2nd sentence of the first paragraph referring to?
4. **Page 4-103,** “Contamination of groundwater threatens not both public health and…”