To the EO Agencies:

Please find attached a comment letter from the San Francisco Public Utilities Commission regarding the Public Review Draft of the Executive Order B-37-16 Report. Thank you for the opportunity to comment.

Fan Lau, P.E.
Water Resources Division

San Francisco Public Utilities Commission
525 Golden Gate Ave., 10th Floor | San Francisco, CA 94102
(415) 554-2498 | FLau@sfwater.org
December 19, 2016

Via electronic mail to WUE@water.ca.gov

Mark W. Cowin, Director
California Department of Water Resources

Felicia Marcus, Chair
State Water Resources Control Board

Subject: SFPUC comments on the Public Review Draft of the Executive Order (EO) B-37-16 Report

Dear EO Agencies:

The San Francisco Public Utilities Commission (SFPUC) has been closely following the development of the Long-Term Water Use Efficiency Framework in response to the Governor's EO B-37-16. We appreciate the opportunities provided by the Department of Water Resources (DWR) and State Water Resources Control Board (State Water Board) for suppliers to learn more, seek clarification, and provide comment throughout the framework development process.

Before delving into our comments on the Public Review Draft of the EO B-37-16 Report (Draft EO Report), we believe it is worth noting that the development of the Water Conservation Act of 2009 (i.e., SB X7-7) was an arduous and thoughtful process that ultimately led to approval by the Legislature. The Act allows water suppliers to select from multiple compliance pathways, thereby providing flexibility toward meeting a singular statewide goal. The success of SB X7-7 is tied to the compliance flexibility that was carried forward in that Act and the ability of water suppliers to develop methods that were implementable in their service areas. The SFPUC believes that as we move forward with EO B-37-16, the tenet of flexibility in methodology should continue to be paramount.

It is also worth noting that the SFPUC has a long and successful track record of conservation and water use efficiency. Even before the onset of the current drought, San Francisco had one of the lowest per capita water uses in the state thanks to the successful implementation of water conservation over several decades. In addition, San Francisco is a highly dense, urban area with little outdoor water use and indoor demands that have hardened over time. Despite the limited opportunities in water savings, the SFPUC has exceeded water use targets established by SB X7-7 and the emergency conservation regulations. Before the drought, gross and residential per capita were about 88 and 50 GPCD, respectively, but have dropped to about 73 and 41 GPCD during the
last year. The SFPUC remains committed to providing comprehensive and long-term conservation, reuse, and water efficiency programs.

Furthermore, although we recognize that the EO Agencies have the very difficult task of implementing the EO directives across a wide range of water suppliers, it is very important that the framework maintains flexibility for suppliers to plan and respond to local conditions, and does not compromise water rights. With these overarching tenets in mind, the SFPUC submits the following comments on the Draft EO Report, organized by report section.

**Permanent Prohibition of Wasteful Practices (Section 2.2)**

The SFPUC supports the initial list of water waste prohibitions provided in the Draft EO Report. However, the prohibition on “hosing off sidewalks, driveways and other hardscapes” should retain the exception for immediate health and safety needs as indicated in the existing emergency conservation regulation. Exceptions for meeting permitted agency/jurisdiction operations and maintenance standards (e.g., minimum sewer flows, sidewalk cleanliness and anti-blight standards) should also be considered.

**New Water Use Targets Based on Strengthened Standards (Section 3.1)**

The proposed water use targets framework calls for annual progress reports starting in 2019, which would require more information starting in 2022. Given the numerous reporting requirements that already exist for urban water suppliers, and with the addition of new reports per water loss audit requirements (SB 555) and the proposed Water Shortage Contingency Plan (WSCP) framework, the EO Agencies should provide a data tool to help suppliers keep track of which reports are due, when, and to whom. An information submittal tool is described in the WSCP section (Section 3.2), and could be adapted for annual water use reporting. The EO report should include a similar description specific to annual water use reporting.

**Outdoor Irrigation Standard**

For regions where outdoor irrigation use represents a significant percentage of urban water use and the greatest opportunity for future water savings, we support the proposed approach to calculate the outdoor water use budget as the sum of individual budgets for all parcels within a supplier's service area, applying Evapotranspiration Adjustment Factors (ETAF) based on parcel age. The proposed approach, however, may not be suitable for all water suppliers due to unique conditions in their service areas, low potential of water savings, or other reasons. As requested in comment letters from the water community (spearheaded by Association of California Water Agencies [ACWA]), California Urban Water Agencies (CUWA), and California Municipal Utilities Association, the framework should allow suppliers to use alternative target-setting approaches or methods for compliance. In allowing for alternative methods, a set of minimum criteria could be developed by the EO Agencies in coordination with the new urban landscape area workgroup so that all suppliers establish an outdoor water use budget that is commensurate regardless of the method used. Minimum criteria may include the use of EO Agencies-approved reference evapotranspiration (ETo) and ETAF values, and the use of landscape area estimates that meet certain standards (e.g., a minimum resolution if aerial imagery is used, approved standard spatial analysis methods) in lieu of the State-provided landscape area measurement data. Additional requirements for a supplier seeking to use an alternative method for calculating its outdoor water use budget could include “pre-review,”
consultation, and subsequent approval by DWR as is done in the UWMP process for estimating service area population using alternative methods.

For regions like the SFPUC's retail service area, where outdoor irrigation represents less than 10 percent of total urban water use, a high portion of parcels were developed pre-1992, and evapotranspiration does not vary significantly, the level of effort involved in creating parcel-level water budgets and conducting detailed parcel-level analyses greatly outweighs the potential water savings. Following the approach outlined above, we would seek approval to use an alternative method for calculating an outdoor irrigation budget in which one retail service area aggregate ETAF of 0.8 and one average reference evapotranspiration (ETo) value of 35.1, which is what is specified in our Water Efficient Irrigation Ordinance (locally-modified Water Efficient Landscape Ordinance), would be applied to the aggregate of irrigable area from all residential parcels and parcels with dedicated irrigation meters in our retail service area. The irrigable area measurement may be based on locally-derived imagery if we find that the State-provided estimate is not accurate. The resulting aggregated outdoor irrigation budget calculation would be as follows:

\[
\text{Volume} = \text{ETAF} \times \text{Landscape Area} \times \text{ETo} \\
= 0.8 \times [\text{Irrigable Area in square feet}] \times 35.1
\]

We strongly urge the State to allow a variance process, such as the one proposed above, for water suppliers that can demonstrate water use for outdoor irrigation is under a threshold, such as 20 percent of total water use. Furthermore, a supplier seeking a variance could be required to describe its efforts in improving irrigation efficiency. For instance, the SFPUC provides technical and financial assistance to help large landscape sites improve their water efficiency. Large landscapes sited with dedicated irrigation meters represent about two thirds of outdoor irrigation use in our retail service area.

The proposed framework is not clear about how the existing SB X7-7 standards for outdoor water use (shown in Table 3-1 of the Draft EO Report) would be applied under the new water use target methodology. Landscapes irrigated with recycled water, however, or any form of water reuse, should be excluded from the outdoor water budget calculation. Accounting for such landscapes in the budget would dis-incentivize recycled water use and water reuse.

Commercial, Industrial, and Institutional (CII) Performance Measures

The SFPUC supports the proposed performance measure approach to addressing CII water use efficiency. We agree that water suppliers' use of standard systems for classifying the business or industry sector of customers may help to support benchmarking by industry type. The SFPUC uses Standard Industrial Classification (SIC) codes to classify customers in our billing system and this enables us to review water use by business sector. Revising our billing system to accept North American Industry Classification System (NAICS) codes or another classification system to be selected by the EO Agencies, as identified in the Draft EO Report, would require costly revisions to our billing system for no apparent gain. In addition, re-classification of accounts can hamper or, in some cases, eliminate the ability to use historic billing data in water use analyses. Subsequently, analyzing changes in water use throughout the CII sector becomes very difficult. We urge the EO Agencies to accept existing CII classifications used in current billing systems, and not mandate that all suppliers use just one type of classification system. In order to perform regional and/or statewide analysis across multiple suppliers, the EO Agencies may require suppliers to “translate” their classifications to a
Sincere condensed list of general CII groups identified by the EO Agencies. We also encourage the EO Agencies to build on recommendations made in DWR’s CII Task Force Report and explore whether CII customer use of programs such as EPA’s Energy Star Portfolio Manager could be another way to help benchmark water use data that would not necessarily require water suppliers to modify their billing systems.

The EO Agencies must seek feedback from the CII community in the development of the CII performance measures. Because water suppliers are not as knowledgeable in CII water use as the end users, input from the CII community will be crucial in setting realistic and achievable expectations. Where the Draft EO Report states that a new CII workgroup will be established by the EO Agencies, it should be noted that the EO Agencies will engage with CII sector representatives to participate in the workgroup.

**Water Shortage Contingency Plans (Section 3.2)**

The SFPUC supports this statement in the Draft EO Report and urges the EO Agencies to be reminded of this objective as they continue to develop and implement the framework:

> "The EO Agencies established the following primary objectives in the design of the recommendations: [...] to allow focused attention where necessary and forestall overarching mandates that may conflict with existing adequate local plans and responses."

The Draft EO Report states that DWR will prepare documents and regulations, if necessary, detailing the WSCP and annual assessment compliance criteria that must be met by water suppliers. It is critical that in doing so, any compliance criteria provide flexibility for suppliers who already have adopted plans and procedures for assessing adequate water supply. The EO Report should make clear what the EO Agencies intend to do with the data they receive from the annual assessment reports and why it is necessary for them to obtain such information annually. Preparation of guidance documents and regulations should be developed with public input, such as a technical workgroup and/or other public review process.

In closing, we strongly urge that the EO Agencies consider our comments in finalizing the EO Report and going forward with implementation. We believe that incorporating these changes will allow all stakeholders to effectively meet the directives of the EO, while avoiding unnecessary administrative burdens and allowing water suppliers to plan and operate their systems as they know best. We also strongly urge the EO Agencies to consider the comment letters submitted by the water community (spearheaded by ACWA), CUWA, and CMUA, to all three of which SFPUC is a signatory.

Sincerely,

Steven R. Ritchie
Assistant General Manager, Water

cc: Nicole Sandkulla, BAWSCA