



IRVINE RANCH WATER DISTRICT

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June 16, 2010

Mr. Peter Brostrum
Water Use Efficiency Branch
SB X7-7 Program
P.O. Box 942836
Sacramento, CA 94236-0001

Subject: BMP Approach to SB x7-7 Option 4

Dear Mr. Brostrum:

The Long Beach Water Department, the Irvine Ranch Water District and the City of San Luis Obispo are respectfully submitting a proposal for Option 4 for consideration by the Urban Stakeholder Committee (USC) and the Department. The submitting group would like to stress that though each of the agencies are members of the California Urban Water Conservation Council (CUWCC) and the Board of Directors, this proposal is not from or endorsed by the CUWCC.

Fundamentally, the option we are recommending requires full implementation of the CUWCC's Foundational Best Management Practices (BMPs) plus implementation of one of the following alternatives: 1) Standard programmatic BMPs; 2) Flex Track BMP option; or 3) the CUWCC's gpcd option. For purposes of compliance with SBx7-7, no cost-effectiveness exemptions would be allowed. The BMPs were developed through a stakeholder-driven process that includes water agencies, environmental organizations and other interested parties. They represent the *best* management practices for water conservation, and therefore provide a firm technical and quantifiable basis upon which to advance urban water use efficiency and meet the state's objectives. We believe that the BMP approach will achieve the 20% water use reduction target, will eliminate the challenges water agencies would face as they transition from the CUWCC BMP compliance to the SBx7-7 compliance in 2015 and 2020, will allow for maximum flexibility as described in SBx7-7, and will be easy to implement on a statewide basis. We look forward to working with the USC and the Department to refine this proposal to ensure it meets all of the necessary requirements.

If you have any questions or require additional information, please contact Fiona Sanchez, the group's spokesperson, at (949) 453-5325.

Sincerely,

Matthew Lyons, Long Beach Water Department
Fiona Sanchez, Irvine Ranch Water District
Ron Munds, City of San Luis Obispo

**SBx7-7: Proposal for the Use of the
California Urban Water Conservation Council's
BMPs as an Implementation Method for Option 4**

SBx7-7 20 x 2020 legislation articulates three options water agencies may choose from in order to be in compliance with the legislation. The legislation directs DWR to adopt a fourth option based on certain criteria. The following is a proposed 4th Option for DWR's consideration.

PROPOSED 4th Option – BMP Option

- Water agencies that file complete annual conservation reports with the CUWCC and are found to be in compliance with the CUWCC's BMPs. The CUWCC BMP Compliance Option will require full implementation of the Foundational BMPs plus implementation of either the standard programmatic BMPs or the Flex Track BMP option, as of the date last amended. For purposes of compliance with SB7-x7, no cost-effectiveness exemptions will be allowed.
- Agencies may also select the CUWCC's GPCD method for CUWCC Compliance, however it should be noted that the CUWCC's methodology has more stringent requirements than Option 1 in the legislation, and also requires full implementation of the Foundational BMPs.

Why the BMP OPTION?

- 1) It would achieve the 20 x 2020 water-use reduction target. If this option were used throughout California, it can reasonably be assumed that the state would achieve an overall per capita water use reduction of 20-percent. The 20x2020 team estimated that full implementation of the BMPs would achieve approximately 17-18%. This figure did not include the Foundational BMPs, which includes Metering, System Loss Prevention and Reduction, and Conservation Pricing, all of which generate quantifiable water savings. Therefore it is anticipated that full compliance, which requires implementation of the Foundational BMPs would achieve the 20% target.
 - a. In developing its own GPCD standard, the CUWCC investigated the expected water savings from implementation of the BMPs and found that it was reasonable to assume an average of about 2-percent reduction in water use per year from implementation.
- 2) Ease of implementation for DWR: Requires no additional DWR staff or resources because the BMPs and reporting systems already exist.
- 3) Eliminates transition challenges for water agencies: Water agencies are (will be) using the CUWCC method for compliance with AB 1420 through the year 2014 or 2015. Allowing them to continue using this method will eliminate the

need for all water agencies to transition to new compliance options in the years 2015 and beyond.

- 4) Consensus-based targets: Conservation targets were based on consensus among both water agencies and environmental organizations.
 - a. The BMPs were crafted over many years, through very public consensus-based processes involving large numbers of retail and wholesale water agencies and environmental organizations.
- 5) BMPs are not just targets: The BMPs provide well-delineated best practices that, if implemented by a water agency, will result in achievement of the targets.
- 6) A true alternative to the legislation's Options 1 – 3
 - a. The legislation mandates that Option 4 be different than the first three options. A BMP Option provides a truly new option, not simply a variation or combination of existing options; this, then, creates more choice for water agencies and best meets the spirit of the legislation.
- 7) Maximum flexibility: provides greatest amount of flexibility for water agencies.
 - a. The legislation mandates that Option 4 be flexible. While all agencies would have to comply with Foundational BMPs, agencies would have the choice of compliance with Programmatic BMPs using the traditional approach, the flex track or the GPCD approach. The number of implementation paths for a water agency becomes almost infinite, creating the maximum flexibility possible.
- 8) Accommodates differences between water agencies: The legislation mandates that climatic, population density differences, and differences in CII are taken into consideration. The BMPs automatically adjust for these differences.
 - a. For example, the landscape BMP makes no assumptions about average climates or population densities; it asks only that the water agency implement certain best management practices with respect to landscape. This approach, then, accommodates all climatic and population density variations between water agencies.
 - b. For example, the CUWCC's GPCD compliance option only requires a reduction from the individual water agencies baseline, a baseline which reflects climate, population density, and other important factors that drive water demand.
- 9) Gives credit for past conservation: The legislation mandates that communities that had implemented conservation in the past be protected.

- a. The GPCD compliance option does this by creating a baseline GPCD based on a 10-year average from the past. Water agencies that have conserved water in the past are credited with that previous conservation.
- b. The Traditional and Flex Track methods of compliance give credit for water conservation achieved in the past, by reducing the additional conservation required in order to meet the BMP compliance targets.

How it would work

- The existing BMPs targets culminate in the year 2018. This SBx7-7 Option 4 would extend those targets to the year 2020 by linearly extending the 2018 targets two more years.
- Water agencies report to CUWCC using that agency's normal 2-year reporting cycle.
- CUWCC reports to DWR compliance with BMPs and any other information DWR needs in order to determine an agency's compliance with this Option 4.