



San Diego County Water Authority

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July 8, 2016

Randy Record and
Members of the Board of Directors
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

MEMBER AGENCIES

- Carlsbad Municipal Water District
- City of Del Mar
- City of Escondido
- City of National City
- City of Oceanside
- City of Poway
- City of San Diego
- Fallbrook Public Utility District
- Helix Water District
- Lakeside Water District
- Olivenhain Municipal Water District
- Otay Water District
- Padre Dam Municipal Water District
- Camp Pendleton Marine Corps Base
- Rainbow Municipal Water District
- Ramona Municipal Water District
- Rincon del Diablo Municipal Water District
- San Dieguito Water District
- Santa Fe Irrigation District
- South Bay Irrigation District
- Vallecitos Water District
- Valley Center Municipal Water District
- Vista Irrigation District
- Yuima Municipal Water District

OTHER REPRESENTATIVE

- County of San Diego

RE: Board Memo 8-5: Approval of Modifications and Additions to the Conservation Programs – **OPPOSE**

Chair Record and Members of the Board:

The Water Authority and its member agencies have a strong record of leadership in water conservation planning, programs and policy implementation. Since the early 1990s, water use efficiency has been a core element of our region’s water supply diversification strategy. The San Diego region’s per capita use has dropped by nearly 40 percent since then. Even as hydrologic conditions improve this year, the Water Authority and its member agencies are continuing to advance water-use efficiency through programs and outreach designed to firmly entrench water use efficiency a way of life. Our upcoming “Live WaterSmart” outreach campaign is our most recent campaign to ensure our region adopts efficiency as a positive and permanent ethic.


While we strongly support conservation, we must oppose this board action based on both legal and policy grounds. First and foremost, MWD's funding source and implementation are illegal. MWD is continuing to fund its conservation program subsidy costs through imposition of the Water Stewardship Rate, which the Superior Court has already ruled illegal. MWD's program also forces the Water Authority’s ratepayers to pay for financial subsidies they may not fully benefit from due to the MWD Board’s adoption and enforcement of the “Rate Structure Integrity” clause, simply because the Water Authority chose to challenge MWD’s rates in court. But for the question of standing, the Superior Court also found against MWD on the merits of this issue.

We have previously identified several concerns with MWD’s conservation programs through our prior letters (see list at the end of this correspondence, the contents of these letters are incorporated herein by reference). Upon other things, MWD's failure to develop a *baseline* that MWD member agencies must meet in order to qualify for regional funding for conservation programs leaves MWD's conservation program subject to challenge. Establishing a baseline is necessary to ensure regional funds go toward paying for conservation savings that go beyond what retail agencies are already legally required to do.

At a policy level, MWD should develop and implement a regional water conservation plan that is

more appropriate for its role as a wholesale water provider. While we recognize the currently proposed program modifications are moving toward more water-efficient landscape education and training resources for homeowners and professionals – a focus the Water Authority has emphasized in recent years – we urge staff to work closely with member agencies so these programs support and are aligned not only with California law but with established local programs. This will help avoid unnecessary duplication between local and regional programs, or other circumstances that could confuse customers or decrease the efficiency of these programs.

Sincerely,



Michael T. Hogan
Director



Keith Lewinger
Director



Fern Steiner
Director

Past Water Authority letters RE conservation:

1. May 25, 2015 Board Memo 5-1: Authorize: (1) Additional funding for conservation incentives; and (2) Implementation of modifications to the Turf Removal Program
2. May 8, 2015 Board Memo 8-2: Authorize (1) \$150 million in additional funding for conservation incentives from the Water Stewardship Fund and the Water Management Fund; and (2) Implementation of modifications to the Turf Removal Program -- OPPOSE
3. December 8, 2014 Board Memo 8-1: Authorize: (1) increase of \$40 million for conservation incentives and (2) increase to contract authority of the five-year agreement with Electric and Gas Industries Association for administration of Metropolitan's regional conservation rebate program – OPPOSE
4. May 12, 2014 letter RE Board Item 8-6 – Authorize changes to conservation program in response to drought conditions - SUPPORT IMPLEMENTATION OF CONSERVATION MEASURES IN RESPONSE TO STATE DROUGHT CONDITIONS; OPPOSE USE OF ILLEGAL RATES TO PAY FOR WATER CONSERVATION MEASURES
5. March 10, 2014 letter RE Board Item 8-3 – TABLE PENDING RECEIPT OF ADDITIONAL INFORMATION OR IN THE ALTERNATIVE, OPPOSE: Authorize entering into a Water Savings Incentive Program (WSIP) Agreement with Altman's Specialty Plants, Inc. to provide financial incentives for a water use efficiency project
6. February 10, 2014 letter RE Board Memo 8-2 – Authorize \$3 million for an On-Site Retrofit Pilot Program: TABLE PENDING DEVELOPMENT OF PROGRAM CRITERIA AND COST OF SERVICE ANALYSIS, OR IN THE ALTERNATIVE, OPPOSE and RE Board Memo 8-7 – Authorize an increase of \$20 million for conservation incentives and outreach: OPPOSE UNLESS AMENDED TO ALLOW THE WATER AUTHORITY TO RECEIVE PROGRAM BENEFITS AND COMPLY WITH COST OF SERVICE REQUIREMENTS
7. September 9, 2013 letter RE Board Memo 8-3 – OPPOSE – Authorization to implement New Conservation Program Initiatives
8. May 7, 2012 letter RE Board Memo 8-4 - OPPOSE (authorize changes to water conservation incentives (subsidies) as described
9. November 23, 2011 letter RE Turf Replacement Grant Programs
10. August 15, 2011 letter RE Board Memo 8-7 – Adopt the Long-Term Conservation Plan and revised policy principles on water conservation – OPPOSE
11. July 20, 2011 letter RE Comments on Long Term Conservation Plan Working Draft Version 11
12. November 29, 2010 letter RE Metropolitan's Draft Long Term Conservation Plan
13. August 16, 2010 letter RE August 2010 Board Memo 9-1, MWD Water Conservation Program