

## IRVINE RANCH WATER DISTRICT POLICY POSITION WATER USE EFFICIENCY AND CONSERVATION

January 26, 2018

### ISSUE SUMMARY:

Agencies responsible for managing water resources have an obligation to provide the resource in a safe and efficient manner. Management of any limited resource includes the practice of conservation and using the resource efficiently. Water supply management is no different. As a local agency responsible for water supply management, the Irvine Ranch Water District continues to promote new ways to conserve water and enhance urban water use efficiency, both locally and statewide, and continues to engage productively in statewide policy discussions on how to enhance urban water use efficiency while improving statewide and local drought resiliency.

### BACKGROUND:

Irvine Ranch Water District has specified in its mission statement the objective to provide reliable, high-quality water to its customers. Implicit in the concept of reliability is the responsibility to develop an array of strategies to responsibly meet existing and future water demands. Although these strategies should include both supply augmentation and demand management, the ability to develop new cost-effective supplies— or simply maintain existing supplies— may be limited by physical, environmental, institutional, and legal factors. Consequently, it is imperative that water agencies optimize the use of existing water supplies. One way to accomplish this is through the development and implementation of water use efficiency and water conservation programs.

Fundamentally, water use efficiency and conservation programs should be customized to reflect local needs and water use practices. As a result, it should be expected that local water use efficiency and conservation programs will vary from agency to agency. Agencies may choose to focus their programs on some or all of the following areas: incentives, rate structures, landscape modifications, in-lieu programs or supplies that conserve or capture previously unused water, such as water banking or recycled water.

As California looks to improve sustainable management of its water resources and to enhance drought resiliency, Governor Brown has called upon the state to “Make Water Conservation a California Way of Life.” IRWD supports the sentiment in the Governor’s call to action, and supports efforts to enhance water use efficiency within California’s urban and agricultural communities. Toward that end, the District co-sponsored legislation in 2017 that would have implemented the goals of the Governor’s vision to “Make Water Conservation a California Way of Life.” While that legislation was not passed in 2017, there will likely be similar legislation passed in 2018 requiring urban retail water suppliers to take additional steps to enhance urban water use efficiency. The implementation of that legislation will begin upon its passage and continue for several years.

Despite agreement on the importance of water use efficiency and conservation, implementation of a statewide or regional water use efficiency and conservation framework requires thoughtful consideration of a variety of policies and factors. As a means of providing input into the discussions surrounding water use efficiency and conservation in California, and in order to guide the District’s advocacy efforts in this policy area, the following policy principles have been adopted by the IRWD Board of Directors.

POLICY PRINCIPLES:

- 1) **IRWD is committed to “Making Water Conservation a California Way of Life.”** IRWD has committed to *“Be a leader in the innovation and implementation of water use efficiency and conservation measures promoting the most efficient use of water on both a per capita and a per acre basis.”* The District will continue to promote thoughtful policies that enhance the ethic of water use efficiency throughout the state.
- 2) **An integrated and sustainable approach to California water resource management must recognize the role that water use efficiency and supply development play in ensuring an adequate and reliable water supply for California’s many diverse communities.** State policies and regulations related to water use efficiency and conservation should:
  - Recognize the complexities and factors effecting efficient water management;
  - Recognize the need for continued supply development;
  - Focus on the efficient use of potable water supplies;
  - Distinguish between water use efficiency and conservation;
  - Clearly define roles and responsibilities of state and local agencies; and
  - Avoid promoting a “conservation first” approach to water management.
- 3) **Water efficiency and conservation programs are most successful if they are locally designed, implemented and managed.** Maximum flexibility should be provided to local water agencies to develop water use efficiency and conservation programs in order to achieve state-established water use efficiency goals. To the extent practical, water use efficiency should be achieved by locally established and managed financial incentives and disincentives as contrasted with mandated or regulatory solutions.
- 4) **Water use efficiency and conservation programs should be cost effective and economically viable.** The economic value of water use efficiency and conservation is, at a minimum, the avoided cost of the most expensive water and should normally include other avoided costs that would have to be expended if the water was not conserved. (For example, indoor water conservation programs should consider benefits from reduced wastewater treatment costs.) Local agencies should not be required to undertake or implement water use efficiency and conservation actions which are not cost effective, economically viable, feasible or practicable.
- 5) **Local agencies should take steps to preserve fiscal stability and water affordability when implementing water use efficiency and conservation programs.** Retail water agencies should adopt rate structures that insulate revenues from decreases in water sales associated with conservation and provide customers with appropriate “signals” as to efficiency water use levels. State and regional policies should encourage, enhance and protect, but not mandate, the use of water-budget based rate structures.
- 6) **The benefits and consequences of statewide, regional and local water use efficiency and conservation policies should be understood prior to being implemented. At a minimum, the benefits and consequences to water and wastewater management, systems, infrastructure, operations and recycled water supplies should be examined.** While greater water use efficiency is important to managing water resources, water use efficiency and conservation programs can have unintended consequences if not implemented

thoughtfully. (For example, greater success in the area of water conservation hardens demand, which may impact a local agency's ability to respond to a drought, or may have a negative impact on recycled water supplies.) To avoid negative impacts, statewide water use efficiency policies and regulations should consider and account for both the benefits and consequences of enhanced water use efficiency and conservation.

- 7) **Statewide and regional policies should encourage and reward previous investments in beneficial water use efficiency strategies, including water recycling, water-budget based rate structures that create a nexus between those overusing water and those bearing the costs of overuse, and investments in distribution system integrity, among others.** Retail water agencies that have invested in conservation should be rewarded for making these investments. Agencies that have not invested in conservation should bear the burden of their inefficiencies through rationing or higher rates during times of shortage. With an equitable system in place, all water agencies will be more motivated to commit to encouraging conservation.
- 8) **Statewide and regional water use efficiency goals must incentivize and account for local investments in drought resilient supplies, including investments in recycled water and potable reuse.** Water conservation and water use efficiency gains alone will not result in a resilient water supply that will allow local agencies to manage through severe shortage situations. Statewide and regional water use efficiency and conservation policies and programs should recognize past investments in, and incentivize the continued development of, drought resilient supplies. At a minimum, state policies and regulations should exclude drought resilient supplies from any mandatory reduction enacted during a water shortage emergency.
- 9) **Conservation strategies should include promoting both the expansion and efficient use of recycled water and potable reuse.** Water recycling and reuse is a form of water use efficiency and conservation. At a minimum statewide policies and regulations should exclude recycled water from any mandatory reduction enacted during a water shortage emergency, provide at least a 1.0 evapotranspiration adjustment factor for landscapes irrigated with recycled water, and provide a reasonable credit for potable reuse.
- 10) **State agencies should engage urban retail water suppliers during implementation and development of methodologies, and regulations related to "Making Water Conservation a California Way of Life."** Implementation of urban water use objectives and commercial, industrial and institutional (CII) performance measures should:
  - Build upon accepted water use efficiency and industry standards;
  - Set outdoor water use standards based on the factors consider in the Model Water Efficient Landscape Ordinance adopted in 2015;
  - Set a reasonable water loss standard for potable distribution systems that accounts for differences between systems;
  - Establish cost effective and feasible CII performance measures allowing urban retail water suppliers to implement only those measures appropriate for their service areas;
  - Establish standardized variances for a variety of anomalous situations and streamline approval processes for their use;
  - Ensure provision of the accurate, comprehensive, and timely data needed by urban retail water suppliers to calculate urban water use objectives; and

- Build on existing tools and reporting devices to keep reporting processes simple, to eliminate duplicative reporting of data, and minimize needless waste of resources.

- 11) **Local water suppliers should have the primary role for responding to drought and other water shortages based on local conditions, and should take the actions outlined in their water shortage contingency plans and annual water supply and demand assessments when responding to water shortages.** State agencies should take a supportive role gathering the lessons learned from previous droughts and examining how to encourage better local drought response by expanding the types and number of “tools” available to local agencies and by encouraging investments in emergency supplies.