

June 7, 2010

Manucher Alemi Department of Water Resources Division of Statewide Integrated Water Management Water Use and Efficiency Branch

RE: Comments on SBx7-7 Urban Technical Methodologies

Thank you for the opportunity to provide input on the draft methodologies. Overall, the draft methodologies are clear and consistent with the language of the legislation. Below, we provide specific comments on improving the methodologies:

Use the 95th Percentile to Determine Process Water Use Exemptions

According to SB x7-7, retail water suppliers with a substantial percentage of industrial water use can exclude process water from their Gross Water Use. The legislation did not define "substantial percentage," although the intent was to allow these exemptions in extraordinary cases. DWR and its consultants sought to define the term in Methodology 1. According to the draft methodology, an urban water supplier can exclude process water if one of the following is true:

- Industrial water use represents 4% or more of Gross Water Use Before Indirect Recycled Water Use Deductions
- Industrial and commercial water use represents at least 20% of Gross Water Use Before Indirect Recycled Water Use Deductions

At the May 18, 2010 meeting, the consultants indicated that these percentages were chosen because they represent the 75th percentile among California water suppliers. The 75th percentile, however, does not capture extraordinary cases. The 95th percentile is a much better indicator. We urge DWR to adopt the 95th percentile to develop the appropriate percentages for exemption.

<u>Desire for Flexibility Must Not Conflict With the Need to Standardize Data</u> Collection Procedures

The draft methodologies do a good job of trying to develop data collection standards. Throughout the process, however, some committee members have called for the need for greater flexibility, e.g., in defining population or calculating landscaped area. While

flexibility can reduce reporting burdens, too much flexibility ultimately produces meaningless data.

Standardization is critical for two reasons. First, it produces higher quality and more reliable data that can better inform state and national water management decisions. In addition, DWR may not have the capacity to meaningfully evaluate all of the proposed population and landscaped area estimates for each of the approximately 400 water utilities that will be submitting data. We urge DWR to maintain the level of standardization included in the draft methodologies and resist calls to build too much flexibility into the process.

Thank you again for the opportunity to comment on the draft methodologies. We look forward to reviewing future drafts.

Thank you,

Heather Cooley