



VIA EMAIL: WUE@water.ca.gov

July 3, 2017

Todd Thompson, Senior Engineer
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Water Use Efficiency
P.O. Box 942836
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Subject: Comments on June 16, 2017 - Second Revised Draft of "Water Audits and Water Loss Control Reporting Regulations"

Dear Mr. Thompson:

The undersigned water associations and agencies, which broadly represent the vast majority of the California drinking water sector, appreciate this opportunity to provide comments on the June 16, 2017 second revised draft of the "Water Audits and Water Loss Reporting Regulations. These regulations have been proposed by the Department of Water Resources (DWR) in response to Section 10608.34 to the California Water Code to establish rules for conducting and validating water loss audits, technical qualifications for persons performing water loss audit validation, and reporting requirements for submitting validated water loss audits to the Department as required by Senate Bill 555 (2015).

We consider the second revised draft regulations to be a satisfactory vehicle for audit validation purposes, and they should serve both the industry's and the regulatory agencies' needs until the next step in the regulatory process when the water use efficiency regulations and associated water use targets are promulgated, following the 2017 legislative session. Accordingly, the undersigned urge that the second

revised draft regulations be adopted now so that affected water agencies and utilities will have sufficient time to prepare and submit the required water audits by the October 1, 2017 deadline.

Application to Potable Water Systems

Although we support efficient use of all water, including recycled water, it is important to note that the AWWA water audit was designed for use on potable water distribution systems, and must be conducted on an individual, discrete system. To the extent recycled water systems are separated hydraulically and operationally from potable systems, it is inappropriate to combine recycled and potable water into a single audit. The M36 manual addresses the water balance in the context of potable water and contains only three mentions of recycled water (p. 160, 356, 382), and all of them are in the context of distinguishing recycled water from potable water for the purpose of excluding recycled water from the potable water balance.

Specifically, the regulation needs to apply to potable water systems and NOT to recycled water systems for the following reasons:

1. **SB 555 based the water audit definition on the AWWA Manual of Practice M36: Water Audits and Loss Control Programs, which is intended to cover distribution systems for drinking water supply.** A careful review of the M36 manual confirms that the intended scope of the water audit is the distribution system for treated drinking water / potable water, not recycled or reclaimed water. The M36 manual addresses the water balance in the context of potable water and contains only three mentions of recycled water, all of which are to distinguish it from potable water for the purpose of excluding recycled water from the potable water balance.
2. **Auditing of recycled water systems was never contemplated in the legislative or administrative record.** Last-minute efforts to apply the mandated water audit to recycled water systems is counter to the entire history of this concept in California. The legislative record of committee and floor analyses surely would have made it clear if water audits were meant also to apply to recycled water systems. The DWR Water Audit Manual, prepared by some of the foremost national experts asserts the opposite, stating, "... a utility should make sure to exclude consumption of recycled water by customers, since recycled water does not belong in a potable water audit." In another section, the manual states: "Remember that the water audit pertains exclusively to the potable portion of a water system. Therefore, *non-potable water volumes such as raw water and recycled water must be excluded*" (emphasis added).

Requiring urban water systems to audit recycled water systems is at odds with the legislative intent and would subvert the plain meaning of SB 555.

3. **Auditing recycled water systems has not been discussed in the Water Loss Technical Assistance Program.** Validated water audits are due to DWR not later than October 1, 2017. Over 400 water agencies have received technical assistance to learn about non-revenue water, the water balance, data sources, data validity scoring, and much more about a very detailed and complex exercise. Never in that training and technical assistance – based on M36 and the DWR Water Audit Manual – have water retail suppliers been informed that the water audit includes recycled water systems.
4. **The universe of entities subject to SB 555 is well established in the DWR context, and is not based on recycled water.** SB 555 did not define "urban retail water supplier." The closely related term "urban water supplier" was already well established within DWR and the Water Code. DWR published guidance on this very point for preparation of Urban Water Management Plans. To define the universe of entities subject to the requirements it cites the California Water Code:

§10617 “Urban water supplier” means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from *public water systems*... (italics added).

The UWMP Guidebook then offers additional clarification, citing the definition of a public water system from the Health and Safety Code:

§116275 (h) “Public Water System” means a system *for the provision of water for human consumption* through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year. (italics added)

Implementation of SB 555 and water loss audits of potable water systems is a significant near-term challenge, upon which the regulation needs to be exclusively focused. We urge that any consideration that this regulation be further revised to extend its application to recycled water systems be rejected.

Thank you for this opportunity to comment. All of the undersigned are available to discuss these comments.

Sincerely,

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