

MCSO COMMENTS ON CAL FED WATER EFFICIENCY PROGRAM (2/23/99):

1. **CRITERIA FOR DETERMINATION OF BMP COST EFFECTIVENESS:** MCSO believes that standardized criteria for quantifying environmental benefits and avoided environmental costs must be promulgated before these factors should be included in the cost benefit calculus. If the Cal Fed Policy Group has adopted such standardized criteria by the time that a water supplier submits its BMP Implementation Proposal then these factors should be used. If, however, the Cal Fed Policy Group has not adopted such standardized criteria the water supplier's certification should not be denied due to the value the supplier assigns to the environmental benefits/costs portion of their cost effectiveness exemption calculation. Fairness dictates that certification include evaluation criteria that are certain.
2. **AGENCY PARTICIPATION GUIDELINES:** MCSO believes that geographic regions lying outside the Cal Fed Solution Area should be excluded from Certification Compliance. In particular, the North Coastal area of California is not institutionally or hydrologically connected to the Bay Delta; our supply capability and infrastructure can reliably meet our future needs; our flow regime benefits instream conditions; and our gross per capital water use compares favorably with other areas of the state. It would be difficult to justify expenditures on Water Use Efficiency beyond those set forth in our existing Urban Water Management Plans to our rate payers.
3. **TIER 1 COMPLIANCE STANDARDS:** MCSO believes that imposing additional compliance standards on Tier 1 Wholesalers could create unnecessary legal and institutional problems. MCSO believes that the proposal allowing agencies to form voluntary joint programs is more pragmatic than a mandatory one size fits all prescription.
4. **COMPLIANCE REVIEW COMMITTEE COMPOSITION:** MCSO prefers the proposal for water suppliers to select their own members; for environmental groups to pick their own members; and for those members elected by their respective groups to jointly pick the remaining members over the appointment process. MCSO believes that the elected format will be more likely to produce a balanced deliberative body and isolate the Committee from the partisanship inherent in state politics.
5. **STANDING TO APPEAL CERTIFICATION DECISIONS:** MCSO believes that only the applicant should have standing to appeal a certification decision. If the Committee composition is balanced, then all perspectives should have their input at this level. Providing an appeal right for the minority may diminish the intensity of debate at the committee and provide a mechanism to place roadblocks in place of such debate.