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MEMBER AGENCY OF THE
METROPOLITAN WATER
DISTRICT
SOUTHERN CALIFORNIA

July 29, 2008

California Air Resources Board
Chair Mary D. Nichols and Board Members
1001 "I" Street
Sacramento, CA 95812

VIA EMAIL AND HARD COPY

RE: Climate Change Draft Scoping Plan Comments

Chairman Nichols and Members of the Board:

Las Virgenes Municipal Water District (District) thanks you for the opportunity to provide comments on the Climate Change Draft Scoping Plan. The District supports the intended goal of AB32, the California Global Warming Solutions Act of 2006, in restoring emissions to 1990 levels by 2020. The District is committed to doing its part in achieving this goal, as demonstrated by our adoption of the following climate change policy principle in January 2008.

The Board and staff of Las Virgenes Municipal Water District are committed to consider the effects of climate change and greenhouse gas emissions reduction in its business, operations and maintenance practices. Las Virgenes supports reasonable, economically viable and technologically feasible efforts to reduce its greenhouse gas emissions while achieving the District's mission of providing quality customer service.

For background, the District provides potable water service, wastewater treatment, bio-solids treatment and recycled water in the northwestern portion of Los Angeles County including the cities of Agoura Hills, Calabasas, Hidden Hills and Westlake Village. One hundred percent of our potable water supply is imported from the State Water Project via purchases from the Metropolitan Water District of Southern California. To augment this supply, the District began providing recycled water in the 1970s which today accounts for 20% of the total annual water demand within our service area. Additionally, bio-solids from our wastewater treatment process are composted locally with half of the compost produced being beneficially re-used by the community.



Water Sector:

Overview:

In the overview for this section it is stated that "approximately 19% of electricity and 30% of non-power plant natural gas consumed in California is used by the water sector to grow crops, to supply development, to drive industry, and to produce energy." The source of these numbers is not cited in either the draft plan or appendixes but they closely match numbers in the California's Energy Commission November 2005 Integrated Energy Policy Report^[1]. What is unsaid in the overview is that the majority of the electricity and natural gas consumption is consumed by the end user, not in the supply and treatment of water and wastewater. This is an important distinction because it should not be implied that the water supply and treatment sector has control over 19% of electricity and 30% of the natural gas used in California. We suggest the following alternative language, "...approximately 19% of electricity and 30% of non-power plant natural gas consumed in California is used by the water sector to grow crops, to supply development, to drive industry, and to produce energy. **73% of this electrical consumption and 99% of the natural gas consumption is consumed by the end water user for these purposes.**" We also suggest that the source citation for the statistics be provided.

Water Recycling:

As previously mentioned, the District meets 20% of its annual demand with recycled water, reducing its potable water dependence by the same amount. This level of recycling has resulted in a substantial reduction of greenhouse gas emissions through reduced imports of potable water. Unfortunately, the District faces a number of challenges in the future expansion of this market which may jeopardize our ability to further develop this resource. These challenges include the increasing cost of capital facilities for system expansion and storage, the ever-changing rules and regulations imposed by a variety of regulatory agencies governing development and the use of recycled water, and the public's overall acceptance of recycled water in place of potable water.

Currently the State Water Resource Control Board (SWRCB) is developing a Recycled Water Policy and a General Permit for Recycled Water Irrigation Projects. While development of such a policy in promoting the use of recycled water is well intentioned, potentially it may have the opposite effect by discouraging its use. **We suggest that CARB actively support the SWRCB efforts to enact rules and regulations that encourage the expansion of recycled water.**

Increase Renewable Energy Production:

Many water and wastewater agencies have opportunities to generate renewable energy and do take advantage of these opportunities when available. However, roadblocks exist limiting these opportunities, in particular the inability to wheel renewable energy or

generate revenue from excess renewable energy. ***We suggest that CARB actively support legislation that allows for feed in tariffs and compensation for surplus generation of renewable energy.***

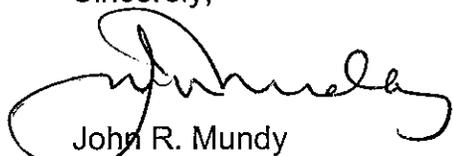
Public Goods Charge for Water:

We strongly oppose the implementation of a "public goods charge" on water service connections. There are several reasons for this opposition. First, the collection of such a charge will place an unwarranted and costly administrative burden on retail water agencies. Secondly, the imposition of such a charge may be in conflict with, and difficult to implement under the conditions of Proposition 218 which allows communities to protest and negate the imposition of water fees. Thirdly, the imposition of such a charge may reduce the ability of a retail agency to raise funds for local programs and projects that benefit the community. And finally we are concerned that the money collected will not be used to the benefit of local rate payers.

Again, I thank you for the opportunity to comment on the Climate Change draft scoping plan. Las Virgenes Municipal Water District is committed to reasonable, economically viable and technologically feasible efforts to reduce greenhouse gas emissions while achieving the District's mission of providing quality customer service. We have started to green our fleet, we are pursuing renewable energy sources, and we will continue to be a leader in water conservation and recycling of water and bio-solids. Further, the District is committed to continue to work with CARB, the SWRCB and our local community in helping to meet the goals of AB32.

Should you have any questions pertaining to our comments, please contact David Lippman, Director of Facilities and Operations, at 818-251-2221.

Sincerely,



John R. Mundy
General Manager

JRM:acg