



Jan. 6, 2016

Ms. Felicia Marcus, Chair, and
Honorable Members of the
State Water Resource Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Via e-mail to Kathy Frevert, SWRCB

Subject: Comments on Proposed Drought Regulation Modifications

The Carlsbad Municipal Water District (CMWD) appreciates the opportunity to respond to the State Water Resource Control Board's (SWRCB) Proposed Adjustments to the Emergency Drought Regulations.

Comments Regarding Adjustments to the Conservation Requirements

- 1) **CMWD does not support the four percent cap on credits.** The cap fails to recognize efforts by agencies (ratepayers and California taxpayers) who have invested extraordinary time and money in developing drought resilient water supplies that reduce dependence on imported water supplies.

Recommendation: Eliminate the cap on credits.

- 2) **Create a credit for local potable supplies.** Agencies that have reduced their imported water use through development of new, renewable, drought resilient supplies should be allowed to take a credit equal to the acre feet of the usage of such water, as that number represents a decrease in imported water supply used.

Recommendation: Create a reporting line in the monthly data collection for reporting of *local* potable water supply usage. That usage should count as a credit towards meeting the agencies monthly conservation goal.

- 3) **CMWD supports the credits proposed by the State for climate and growth.** The credits appear to be fair to all agencies.

Recommendation: Add the climate and growth credits to the adjustment modifications.

- 4) **CMWD supports the April review of the necessity of the conservation goals in regard to El Niño events.**

Recommendation: State should review the El Niño impacts to the regional and State water supplies and make conservation goal adjustments as appropriate.

Brief History of Carlsbad

The City of Carlsbad, a 39 square mile coastal community, is home to 106,000 residents, world class resorts with spas and golf courses, Legoland California, a flower growing industry, and is an expanding biotechnology and satellite business hub. Carlsbad has the second highest number of hotels in San Diego County and is a popular destination for snowbirds and both in-state and out-of-state summer vacationers. Tourism is the largest industry in Carlsbad, with the average number of monthly overnight guests ranging between 130,000 and 291,000 visitors – far exceeding the resident population. In recognition of the State's limited water supply and to protect an outstanding quality of life and a robust economy, CMWD ratepayers have made considerable investments in recycled and desalinated water systems.

For the last **30 years**, recycled water in Carlsbad has been available for irrigation (i.e., residential homeowners associations, slope stability and fire protection requirements, flower growing industry) and commercial cooling tower use. Recycled water represents approximately **24 percent** of total water usage in the CMWD service area, reducing reliance on imported water. Consistency with State and regional plans for recycled water as an alternative local supply is highlighted by State funding provided to the District in the form of multiple **grants** and loans.

Carlsbad Desalination Plant

The Carlsbad Desalination Plant began delivering water in January 2016. The new water is blended with other SDCWA supplies and delivered to all member agencies. CMWD highlights:

- CMWD's pro rata share of SDCWA's desalinated water production (42,000 AF annually) is 1,449 AF annually (120.75 AF monthly). This represents an **8 percent decrease** in the amount of water CMWD imports.
- CMWD will take delivery of an additional 2,500 AF annually via a Take or Pay agreement with the SDCWA (208 AF monthly), at a cost of **\$2,344.91 per AF** (vs \$1,439 per AF for imported water). This represents an additional **15 percent decrease** in the amount of imported water and a significant investment for our ratepayers.
- Importantly, CMWD is taking a total of **3,949 AF** desalinated water annually, or **329 AF monthly**, which is a **23 percent reduction in imported water supplies**.

CMWD recognizes the SWRCB's effort in the latest drought regulation modifications. However, the one size fits all four percent credit cap oversimplifies the process, punishes communities that have developed local water supplies per the Governors Water Action Plan, and creates a disincentive for water suppliers to make capital investments necessary to develop alternative water supplies. Locally developed water supplies are crucial to the State's ability to reduce impacts to its limited water resources. Local agencies should be encouraged to explore feasible water supply development within their service areas. When agencies are successful in bringing new water supplies online, the effort benefits all California residents and should be recognized in the State's modifications to its Emergency Drought Regulations.

Sincerely yours,



Wendy Chambers
General Manager
Carlsbad Municipal Water District