



January 5, 2016

Ms. Felicia Marcus, Chair, and  
Honorable Members of the State Water Resources Control Board  
1001 "I" Street, 25<sup>th</sup> Floor  
Sacramento, CA 95814

VIA EMAIL to Kathy Frevert, SWRCB

Subject: Comments on Proposed Regulatory Framework

Dear Ms. Marcus and Honorable Members of the State Water Resources Control Board:

Thank you for the opportunity to comment on the proposed Framework for the Extended Regulations for Urban Water Conservation. The SWRCB staff have received comments from many stakeholders on this topic and we appreciate the efforts that SWRCB staff and Board members have made to understand the impacts of the Regulations on water agencies and our customers statewide.

The Rainbow Municipal Water District is a primarily agricultural agency in northern San Diego County. Over 80% of our water sales goes to agricultural customers with over 1 acre of farmland under production. We appreciate that our agricultural customers, who are the most efficient users of agricultural water in the State, have been exempted from the mandatory cutbacks that apply to our residential and commercial customers.

In the Framework, there is a proposal to alter the agricultural exemption to include a monetary threshold of \$1000 per year in order for a customer to qualify for exemption. Our question would be related to the origin of this change in the regulation? We are not aware of any information that suggests that the agricultural exemption has been misapplied by any agency statewide. Our internal regulations for agricultural customers have long required a minimum of one acre under production to qualify as an agricultural customer, so properties represented in the photos that have surfaced of swimming pools with a few orange trees around them would not qualify under our current standards. The economic impact of a mandatory cutback on agricultural water use would be massive and unfair since it would only apply to farmers who happen to be located within "urban" areas.

Further, the proposed arbitrary \$1000 limit is based on revenue but there are some farmers who in any given year produce a crop with a value of well over \$1000 but whose actual revenue may be lower due to a variety of circumstances. We also have a number of

customers who produce well over \$1000 in crop value but choose to donate to local food banks in lieu of selling the crops. These producers, who are vital to providing fresh produce to our local residents who are less fortunate, should not be punished by an arbitrary change in regulations.

***We strongly recommend that the current agricultural exemption be left unchanged.***

We also feel that the Framework has a number of other issues that need to be addressed:

- The current regulations do not provide specific guidance on how agencies are supposed to deal with data collection issues that arise when we try to apply consumption data, which comes from meter reads that span several cycles per month, to production data which is neatly collected on the first day of each month. In conversations with SWRCB staff over the last several months we have asked for such guidance to ensure that we are collecting and reporting our data correctly, but SWRCB staff has been unable to provide such guidance. If the regulations are to continue into the future, a specific method of managing and reporting water consumption and production data needs to be provided so that all agencies are reporting data using the same methods.
- The proposed Framework begins to address the inequities of the current one-size-fits-all regulatory policy, but it does not go far enough to recognize supply reliability differences throughout the State.
- The 4 percentage point conservation reduction contained in the proposed Supply Credit is helpful, but does not appropriately acknowledge the investment in drought resilient supplies that regions have made; nor does it reflect the importance and full value of these supplies to California's economy.
- The proposed Supply Credit excludes drought-resilient sources of supply such as desalinated brackish groundwater and conserved water from long-term transfers; these supplies should be included.
- To equitably reflect the investments communities have made in drought-resilient supplies, the Emergency Regulation should provide credit for supplies developed prior to 2013. Pre-2013 supplies have better prepared California for this drought and future droughts by helping to reduce, forestall, or in some cases eliminate shortage impacts. In addition, these early investments in supplies are consistent with the Governor's Water Action Plan.
- The conservation reduction should be directly linked to urban water suppliers' drought resilient supply investments. For example, the urban water suppliers in San

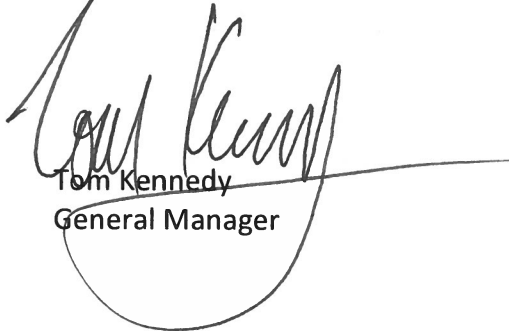
Diego County should receive a benefit commensurate with the Carlsbad Desalination Project supplying up to 10% of the total potable water demand for the San Diego region.

- Imposing an overall reduction cap on credits and adjustments would negate the ability to fully utilize those credits and adjustments that are intended to recognize supply conditions, local characteristics, and investments in drought resilient supplies that are unique to each community.
- Finally, the Proposed Regulatory Framework does not address the uncertainties regarding this year's water supply situation and the potential for significant improvements due to El Niño conditions. Language should be included in the regulation to require the State Water Board to revisit the regulation no later than April 2016 to ensure there is a nexus between the required reduction mandate and supply conditions both statewide and regionally.

Thank you again for the opportunity to provide input on this important topic.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT



Tom Kennedy  
General Manager

cc: RMWD Board of Directors  
RMWD General Counsel