



CALIFORNIA FARM BUREAU FEDERATION

OFFICE OF THE GENERAL COUNSEL

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Sent via E-Mail

Jessica.Bean@waterboards.ca.gov

April 13, 2015

Jessica Bean
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Re: Mandatory Conservation—Proposed Regulatory Framework

Dear Ms. Bean:

The California Farm Bureau Federation (“Farm Bureau”) is a non-governmental, non-profit, voluntary membership California corporation whose purpose is to protect and promote agricultural interests throughout the state of California and to find solutions to the problems of the farm, the farm home and the rural community. Farm Bureau is California's largest farm organization, comprised of 53 county Farm Bureaus currently representing more than 57,000 agricultural, associate and collegiate members in 56 counties. Farm Bureau strives to protect and improve the ability of farmers and ranchers engaged in production agriculture to provide a reliable supply of food and fiber through responsible stewardship of California's resources.

I. Introduction

The Farm Bureau is writing at this time to express concerns with the Board’s proposed Framework for implementation of the April 1, 2015 Executive Order B-29-15, concerning a mandatory 25 percent reduction in aggregate urban water statewide.

As is clear from a review of the Executive Order itself, the target of the Governor’s mandatory 25 percent reduction order is *urban* and *residential* water use. Secondly, the focus is irrigation of ornamental landscapes, as opposed to agricultural landscapes producing crops, or productive water use for manufacturing or other production processes. Specifically, the Order focuses on:

- “Potable urban water usage”

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- “Cities and towns”
- “Lawns and ornamental turf”
- “Monetary incentives” for “replacement of inefficient household [appliances]”
- Potable water use for irrigation of “campuses, golf courses, and cemeteries” on “commercial, industrial, and institutional properties”
- Irrigation of “ornamental turf on public street medians”
- Irrigation with potable water for “newly constructed homes and buildings”¹

Aside from 1) additional reporting and enforcement to prevent potential unauthorized diversions and unreasonable uses of water, 2) expanded agricultural water planning and reporting requirements, and 3) new penalties for area failing to comply with statewide reporting of groundwater levels, the Executive Order is in all other respects expressly *not* directed at agricultural water use. Indeed, with zero percent surface water allocations and water rights curtailments throughout much of California, as the Governor expressly acknowledged in signing his Executive Order, California agriculture is bearing the brunt of drought already.

Unfortunately, by focusing solely on reported September 2014 “residential gallons per capita per day” (R-GPCD) in assigning urban water suppliers “conservation standards” from 10 percent to 35 percent, the Board’s Proposed Regulatory Framework (“Framework”) misses at least two important nuances: First, it does not acknowledge the fact that many agricultural users in densely populated and urban-dominated Southern California may receive all or at least some portion their water from municipal water supplies potentially subject to the proposed Framework. Second, it overlooks the fact that fewer people, lower urban densities, and proportionally higher total water use in Southern California service areas with any significant segment of agricultural water use translates, almost inevitably, into higher per capita calculations of local water use. This almost automatically places water agencies with significant segments of agricultural water use into the highest 25- and 35-percent “conservation standard” tiers—essentially forcing these top-tier agencies to ration supplies or increase rates for agricultural users to avoid potential hefty penalties for failing to achieve mandatory reductions.

The Framework negatively impacts Southern California water suppliers for sustaining local agriculture alongside predominant urban uses of land. Furthermore, where local agencies fail to distinguish between irrigation of ornamental landscapes and irrigation of crops, water for valuable Southern California agriculture is placed unfairly and inappropriately on an equal footing with residential and commercial lawns and shrubs.

If adopted in its present form, the potential impact of the Board’s Framework on portions of Southern California agriculture will be significant and, in some cases,

¹ Executive Order B-29-15, April 1, 2015.

potentially serious. To avoid an unintended consequence that is inconsistent with the intent of the Governor's Executive Order, the Framework should be revised to exempt agricultural use from the Board's Emergency Regulations.

II. South Coast Region Agriculture

In 2010, total agricultural production value for California's South Coast Region was in the range of \$5.35 billion dollars, representing a wide variety of specialty crops from nursery and flower production, strawberries, lettuce, avocados, lemons, celery, broccoli, tomatoes, grapes, chicken eggs, other fruits and nuts, and other vegetables and melons.² High-value permanent crops grown in Southern California, including citrus, grapes, avocado, fruit and nut crops, not only contribute significant to California's total production of such crops, but also require a reliable, affordable, and uninterrupted supply of water.

III. Heavy Past Investment In Reliable Local Water Supplies

Local water suppliers in the South Coast Region have invested heavily in imported water supplies to shore up local supply. The Metropolitan Water District of Southern California ("MWDSC"), for example, as a major wholesale supplier for the region, has invested heavily in State Water Project improvements, Colorado River water, local infrastructure, interregional groundwater banking exchanges, treatment and recycling, conservation, and both long- and short-term water transfers. Similarly, the San Diego County Water Authority ("SDCWA") has invested heavily in locally reliable sources, with the 75-year IID-SDCWA transfer, the lining of the All-American Canal, imported water from the MWDSC, and a new Desalination Project in Carlsbad that will provide to the area some 50 million gallons of drought-proof water per day. All of this has resulted in a more reliable and a more sustainable supply of the region—but also in *much* more expensive water. Accompanying rate increases have impacted both urban and agricultural users in the region—with agricultural users receiving their water from local and regional municipal water agencies often along for the ride.

IV. Past Gains In South Coast Region Urban and Agricultural Water Efficiency

Both urban and agricultural users and their water suppliers in the South Coast Region have, in recent decades, made major investments to achieve dramatic increases in water efficiency. During the same 2006 to 2010 period that Southern California urban demand saw a 22-percent, 1 million acre-foot drop, from 5,254 taf total urban use in 2007 to 4,157 taf in 2010, agricultural water use in the region dropped 23-percent from 822 taf

² Medllin-Azuara, et al., Analysis of effects of reduced supply of water on agricultural production and irrigation water use in Southern California (August 2012), University of California Agricultural Issues Center, at 6 (citing USDA, NASS, California Field Office (2011) and California County Agricultural Commissioners Data, 2010).

in 2007 to 632 taf in 2010.³ Between 1991 and 2011, agricultural irrigation methods from Southern California have gone from 44% to 21% gravity flow, with a parallel increase from 34% to 48% drip and micro.⁴ These major increases in efficiency have occurred, largely, in response to the reduced reliability and availability of imported water sources, increased regulatory restrictions, dry hydrologic conditions, and resulting rate increases.

V. Major Region-wide Economic Impacts of a 25 or Greater Percent Cut to Southern California Agriculture

In 2012, experts with the Agricultural Issues Center at the University of California, Davis documented a range of agricultural water rates in the South Coast Region from \$100 per acre-foot to over \$700 per acre-foot. More recently, agricultural users in San Diego County are reportedly paying the same as urban users, between \$1,500 to \$1,600 per acre-foot.⁵

Against this backdrop, the Avocado Commission's reported recent, dramatic decline in the avocado acreages of some 10,000 acres is not surprising. In fact, on a region-wide scale, the 2012 UC Davis Agricultural Issues Center predicted major economic impacts under two Southern California water shortage scenarios—one a 25-percent cut in water supply, not unlike the action being currently considered under the Executive Order and in the Board's Framework, the other a 75 percent increase in the water cost of water.⁶ According to this study, a 25% reduction in water supply would result in \$480.1 billion (2008 dollars) (9%) loss in total, direct revenues from South Coast Region agriculture,⁷ and a total, region-wide economic cost of \$7,457 million in jobs, \$606.9 million in value added, and \$1,054.0 million in output (2010 dollars).⁸ Similarly, according to the UC Davis study, a 75-percent increase in water rates would mean \$207.5 million (2008 dollars) in direct losses to agriculture,⁹ and a total region-wide, economic impact of \$3,348 million in jobs, \$264.6 million in value added, and \$459.4 million in total economic output (2010 dollars).¹⁰

VI. Recommendations For A More Equitable Approach To The Required Mandatory Reductions

To ensure an equitable approach that avoids unintended impacts to South Coast Region agriculture, Farm Bureau offers the following recommendations:

³ California Water Plan Update 2013, Vol. 2, South Coast Hydrology Region Report, at SC-59.

⁴ Id. at 2-22.

⁵ Oral Communication, April 10, 2015, Eric Larsen, Executive Director, San Diego County Farm Bureau.

⁶ See Mellin-Azuara, et al., *supra*, 2012.

⁷ Id. at 17.

⁸ Id. at 24.

⁹ Id. at 17.

¹⁰ Id. at 21.

- Major potential, adverse impacts of the Board’s Emergency Regulations on South Coast Region agriculture—and on the South Coast Region’s economy in general—should be carefully thought through and avoided.
- Any action by the Board should hold true to the clear intent and urban focus of the Executive Order.
- Agricultural water use should be distinguished from urban use and excluded from the Governor’s 25-percent mandatory cuts. In particular, irrigation to produce crops should be distinguished from irrigation of non-essential, ornamental landscapes.
- The Board’s Emergency Regulations should afford local water suppliers maximum discretion as to how each local water supplier will achieve its local target.
- Required “conservation targets” should be calculated on some basis other than the straight R-GCPD for for each water service area. Based entirely on R-GPCD, the Board’s proposed Framework fails to accurately capture major pre-2013 gains in South Coast agricultural efficiency, and also account for significant climatic variability and local population density.

VII. Closing

Thank you for the opportunity to comment on the Board’s proposed Proposed Regulatory Framework for implementation of the Executive Order’s mandatory 25% reduction in statewide urban water use.

Very truly yours,



Justin E. Fredrickson
Environmental Policy Analyst

Cc:
San Diego County Farm Bureau

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