



Dorothy Rothrock
President

To: State Water Resources Control Board

From: Dorothy Rothrock, California Manufacturers & Technology Association

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Comments on Draft Emergency Regulations California Manufacturers & Technology Association

California Manufacturers & Technology Association advocates for laws and regulations that will support manufacturing jobs and new investment in the state. California's 30,000 manufacturing companies employ 1.2 million workers and contribute \$230 billion in gross state product to the state's economy.

Water is a necessary resource for California manufacturers. Companies and their workers could be significantly impacted by the drought unless we take the steps necessary to conserve and improve water supply. We appreciate this opportunity to comment on the draft regulations to support achievement of the goals identified in the Governor's April 1st Executive Order.

The purpose of the emergency regulations is to achieve a 25 percent urban water use reduction through greater efficiency and conservation. The Governor's order, draft emergency regulations and fact sheets focus on accomplishing reductions through changes in landscaping irrigation and discretionary residential and commercial uses. We support this approach and will work with local water districts to save water where possible in landscaping and inside office building facilities. Manufacturers will also educate employees about the importance of saving water in their personal lives and the need to support community efforts.

We appreciate that the proposed regulations do not expressly identify water used in industrial processes as appropriate end-use targets for reduction. In addition to water required as a coolant or product ingredient, state laws and regulations require industry to use water to reduce air emissions or wash equipment to protect employees and public health. It is not possible to keep employees on the job and making products without the required water supply.

Because water is such an important and costly input to industry, companies in the state have taken, and will continue to take, cost-effective steps to reduce their water

requirements. As the Board considers regulations to reduce water use immediately, it is important to take into account the water savings and conservation already achieved through industry's participation in SBx7-7 (2009) planning processes. Among other things, under

that law the Department of Water Resources convened a commercial, industrial and institutional task force which issued a final report October 21, 2013 outlining technologies and best management practices (BMP's) applicable in these sectors. This inspired many companies to implement the BMP's to improve efficiency, reuse, recycle and treat water to reduce overall water requirements in advance of any legal mandates. The report also includes recommendations for technical and financial assistance to bring other companies up to appropriate conservation levels.

We hope that the Board will rely on the SB x7-7 report as guidance for policies that may affect industrial water use. Each facility has unique water use characteristics, and the potential for savings can only be determined on a case-by-case analysis. It takes time and resources to make equipment and operational changes, and these emergency regulations to take effect June 1 are not an appropriate mechanism to achieve industrial water use reductions.

For those reasons CMTA respectfully recommends an amendment to the draft regulation to reduce the regulation's impact on the residents and small businesses where industrial process water is a significant portion of total district water use.

Proposed Amendment

Section 865 (e) provides that the reduction requirement for each water supplier is based on water production total not including commercial agriculture use if that use is 20% or more of the total. We recommend that industrial process water also be included in the calculation, so the combined commercial agriculture and industrial process water supply may be excluded from the total if they together represent 20% or more of the district's total water production.

Conclusion

CMTA believes this amendment will not interfere with the focus of the executive order to reduce water use where possible with minimal impact on the California economy. Manufacturers, like other water users, are facing the prospect of higher water rates from local water agencies which will encourage them to analyze their water use and seek greater efficiencies. CMTA hopes to support policies now and in the future that address the drought without mandates that would have the unintended consequence of limiting manufacturing production, hurting California workers and harming the economy.