



April 22, 2015

Via Electronic Mail Only

Jessica Bean
California State Water Resources Control Board
Jessica.bean@waterboards.ca.gov

Dear Ms. Bean:

On behalf of the Grocery Manufacturers Association¹ ("GMA") and our food and personal care product manufacturer members across the state, we hereby submit the following comments regarding the recent drought executive orders and related regulations. GMA members are involved in all aspects of food and agricultural product processing including dairy creameries, vegetable processors, canneries, and drink bottlers as well as many other food processing and handling facilities.

We have reviewed the Executive Orders (B-26-14, B-28-14 and B-29-15) as well as the Water Conservation Regulations. GMA member companies are on the leading edge of water and energy conservation and continuously work to promote more sustainable production. Our member companies are committed to working with the State Water Resources Control Board, Department of Water Resources, California Energy Commission and the entire administration to implement water saving strategies. GMA and our member companies welcome the opportunity to provide information on emerging technologies, water conservation actions, and to serve as an information dissemination service to the food and personal care product manufacturing industries.

Many of our member companies are served by local water districts and are classified as Commercial, Industrial and Institution (CII) water users. They will be working directly with those districts to implement appropriate water conservation strategies. However, we are requesting more clarity on EO #5 distinguishing the CII uses described on the "property" with outdoor activities described such as "golf courses, campuses, and cemeteries" with other economically productive uses within the processing activities such as water used for sanitation, processing, and ingredients.

¹ Based in Washington, D.C., the Grocery Manufacturers Association is the voice of more than 300 leading food, beverage and consumer product companies that sustain and enhance the quality of life for hundreds of millions of people in the United States and around the globe. Founded in 1908, GMA is an active, vocal advocate for its member companies and a trusted source of information about the industry and the products consumers rely on and enjoy every day. The association and its member companies are committed to meeting the needs of consumers through product innovation, responsible business practices and effective public policy solutions developed through a genuine partnership with policymakers and other stakeholders. The food, beverage and consumer packaged goods industry in the United States generates sales of \$2.1 trillion annually, employs 14 million workers and contributes \$1 trillion in added value to the economy every year.

Water is an essential resource to California's economic sectors including food manufacturing, food processing and industrial uses. Most notable, the following could not occur without water:

- **Processing** – water is essential for many processes in food facilities including for boilers, sealing and steaming, cooling and sanitation.
- **Food safety** – water is used for sanitation in uses such as back flushing processing systems, in canneries and packing sheds to transport the vegetables in chlorinated water (for some produce this is part of the quality assurance food safety protocols) and to clean conveyors and areas where food is transported or where food makes contact.
- **Ingredients** – in food manufacturing water is an essential ingredient for food and beverages including in breweries, drink bottlers, creameries, and many other food facilities.

These uses are essential to maintain economic viability within the individual plant, region, and statewide industry. Draconian reductions in water may equate to an equivalent reduction in economic output and could result in less jobs, lost market share, and reduced ability to process products grown in California.

This issue was contemplated and addressed in SB 7x7 (Steinberg) in 2009 that required mandatory water conservation of 20% by 2020. That law contained the definition of "process water²" which was removed from the calculation of "gross water" usage within a district making their conservation to be based on non process water (Water Code Section 10608.24 (e)). While we understand the circumstances of this drought may require extraordinary actions, we request that process water be provided afforded unique consideration because of our existing and ongoing conservation efforts and since any additional proportional reduction of this water may equate to an equal reduction in economic productivity. This could impact jobs throughout the state, and may further impact communities that have already been hard hit by this drought.

²Water Code Section 10608.12 (1)

(1) "Process water" means water used for producing a product or product content or water used for research and development, including, but not limited to, continuous manufacturing processes, water used for testing and maintaining equipment used in producing a product or product content, and water used in combined heat and power facilities used in producing a product or product content. Process water does not mean incidental water uses not related to the production of a product or product content, including, but not limited to, water used for restrooms, landscaping, air conditioning, heating, kitchens, and laundry.

Allowing this variance provides more local control and allows locals the ability and direction to review their water usage and adjust for process water while minimizing acute economic harm. Failing to allow this flexibility and requiring process water to be included in local agency calculations will either shift the mandatory reduction to another class of user, risk not being able to meet the mandatory reduction target, or risk an equivalent percentage reduction in economic output and jobs.

In conclusion, food manufacturers, food processors, and growers are requesting that “process water” as defined in water code be provided the same treatment as the state provides in statute when implementing mandatory urban water conservation measures included in the Governor’s Executive Order B-29-15. We welcome the opportunity to further discuss manners in which GMA members can help meet the state and local districts meet their water conservation goals without reducing the economic productivity of the valuable industries.

Sincerely,



John Hewitt
Grocery Manufacturers Association