



City of Guadalupe
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April 13, 2015

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

Delivered via E-mail

Ms. Bean,

I am the City Administrator of Guadalupe. We have a population of 7100 and are located on the Central Coast about 10 miles west of Santa Maria. We are a “small water supplier” with 1950 customers. We produced 1100 acre-feet of water in 2014.

My Recommendation

The State Board has proposed the following urban water supplier framework:

R-GPCD	# of Suppliers in Range	% of Suppliers	Conservation Standard
Under 55	17	4.1%	10%
55 – 110	127	30.9%	20%
110 - 165	132	32.1%	25%
Over 165	135	32.8%	35%

If conservation standards are met:

Median R-GPCD decreases from 134.7 to 101.0
 R-GPCD range moves from 40.0 – 584.3 to 36.0 – 379.8
 Water saved = 1,268,939 Acre-Feet = 25.4%

I propose the following modifications to your regulatory framework for urban water suppliers:

R-GPCD	# of Suppliers in Range	% of Suppliers	Conservation Standard
Under 75	50	12.2%	5%
75 – 95	51	14.8%	10%
95 -115	59	15.8%	20%
115 -140	59	15.3%	30%
140 – 185	83	20.7%	35%
Over 185	109	21.2%	40%

If conservation standards are met:

Median R-GPCD decreases from 134.7 to 93.4
R-GPCD range moves from 40.0 – 584.3 to 38.0 – 350.6
Water saved = 1,245,681 Acre-Feet = 25.0%.

I propose this change for the following reasons:

Six categories instead of four does a better job of distinguishing between very low, low, low-medium, high-medium, high, and very high water using agencies.

My R-GPCD definition for each category does a better job of dividing urban water suppliers into more equally sized groups. Your definition creates one category of 4% and three of 30% to 32%. From a bell-curve distribution perspective your grouping is not advised.

Low and very low using suppliers deserve less stringent conservation standards compared to all other suppliers. Hence my 5% and 10% numbers for these two groups.

Very high using suppliers deserve to have imposed even higher conservation standards than your proposed 35%. Realistically, I think their requirement should be 50%, but I recognize the pushback you will get from them should you decide to do that.

I think the above percentages should apply only to water use within each agency by residential users. Some other standard should apply to other types of users. A high percentage for irrigation use (perhaps 40%), a medium percentage for institutional and commercial use (perhaps 20%), and a very low percentage for industrial use (perhaps 5%). In suggesting a very low percentage for industrial use, I note the Governor chose to exempt rural agriculture from conservation standards out of concern for the negative economic and employment impact such standards might have. The same holds true for industrial enterprises with significant employees who receive water from urban and small water suppliers.

Water suppliers should be allowed to choose whether to use 2013 or 2014 for the base year. The reason is that something extraordinary might have happened in a community during 2013 or 2014 which legitimately increased use. (That is the case for my city where a major industrial user completed a plant expansion at the end of 2013 which caused their water usage to increase 28%. That one company currently represents 40% of our current use. They happen to be an industrial agriculture enterprise packaging ready-to-eat vegetables.)

Finally, I think the same rules which apply to urban water suppliers should apply to small water suppliers. The current 25% across-the-board proposal for small water suppliers makes little sense.

Guadalupe Background

The City of Guadalupe is allowed to pump up to 1300 acre-feet of well water per year from the Santa Maria River basin, which is an adjudicated basin. As noted above, our entire water

production last year was 1100 acre-feet. We have seen no decline in our pumping capacity during the current drought. Neither have surrounding agriculture interests (row crops) which are subject to adjudication standards as well.

The City of Guadalupe also has a State Water subscription of 605 acre-feet per year. In January 2014, we stopped taking State Water given last year's 5% allocation and sold our State Water supply to another member of the Central Coast Water Authority. We have used none of our 20% State Water allocation so far this year.

We are an agriculture community, completely surrounded by farms with row crops. As a result, we have two cooling facilities in town. One is a huge "value-added" cooler. That means the company produces bagged ready-to-eat vegetables for distribution throughout the US and the Pacific Rim. That company, Apio, used 40% of our water supply in 2014. They are a \$200 million business. They employ over 1000 people during peak season. At low season, they employ over 800 people. They are required by the Food and Drug Administration to use potable water to wash their vegetables. They use each gallon of water five times during the production process.

Apio completed a major expansion in November 2013. They had to go through the environmental review process before they were allowed to complete that expansion. We determined that we did have adequate water to meet their needs as well as future build-out needs of the City.

Of additional note is that a major new development of 200 acres broke ground in March. It is scheduled to have 800 homes and up to 250,000 sq. ft. of retail space. That development also went through the environmental review process to confirm that there is adequate water to supply it.

You should note that we count our State Water supply at 40% of subscription for planning purposes as opposed to the 60% that the Department of Water Resources says we can rely on. That 40% is based on the actual State Water allocations we have received over the past five years, including last year's 5% allocation and this year's 20% allocation. Since we have the ability to carry over State Water in the San Luis Reservoir, actual usage of 40% per year would mean that we would have started this year with 2.3 years of State Water in the Reservoir.

I am providing this information to communicate the fact that there is extreme danger when the State heads down a one-size-fits-all rule-making path. For instance, your "Proposed Regulatory Framework" for small water suppliers suggests that all small water suppliers should reduce their water use by 25% no matter what their current R-GPCD and whether they have adequate local water to rely on. We are already a low residential water using community, R-GPCD of 72.1. I note that of the state's 411 "urban water suppliers" only 44 (10.7%) currently have an R-GPCD of 72.1 gallons or less. If we are forced to reduce our R-GPCD by 25%, to 54.1, there will only be 31 urban water suppliers with that low a usage if all urban water suppliers meet your currently proposed framework. (31 is less than 44 because if we were an urban water supplier we would fall in the currently proposed 20% reduction bucket.)

I am also concerned about the impact your proposed rules will have on this community's largest employer. I note the Governor has chosen to exempt rural agricultural – farms, fields, vineyard,

and orchards – from his Executive Order because of his concern about the impact that mandatory conservation rules on agriculture would have on the State economy and on unemployment. What about the impact the proposed small water supplier rules will have on an industrial agriculture entity which by federal law must use potable water in its operations?

I'm also concerned about your proposed selection of 2013 as your base year. That's because Apio's expansion came on line in November 2013. Their water use in 2014 increased by 28% due to expanded capacity. There is no way they can meet a 25% reduction in water based on 2013 without shutting down the new line as well as at least one pre-existing line. That will lead to the layoff of hundreds of employees.

Sincerely,



Andrew Carter
City Administrator