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April 13, 2015

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

VIA EMAIL: jessica.bean@waterboards.ca.gov

Members of the Board,

Olivenhain Municipal Water District is a public agency in northern San Diego County that provides 80,000 customers with water, wastewater, recycled water, hydroelectric, and recreational services. OMWD currently purchases all of its potable water supply from the San Diego County Water Authority, which in turn is a member agency of Metropolitan Water District of Southern California, a State Water Contractor.

We are thankful for the opportunity to comment on the draft regulatory framework that has been proposed in response to the governor's Executive Order issued April 1, 2015. On OMWD's behalf, I am writing to express concerns we have about the equity of certain elements and the effect on our local economy.

OMWD appreciates the state's efforts to try to balance water needs with increasingly challenging water supply projections. We acknowledge that increased conservation is necessary after four years of drought, the extremely low snowpack in the Sierra Nevada, and the possibility that drought conditions will continue into 2016 and beyond. However, the proposed targets will be very challenging to meet, both for San Diego County water agencies and their customers, given their already remarkable conservation achievements.

The 2013 baseline seriously disadvantages communities that already achieved major, sustained water conservation prior to 2013. For example, water use in San Diego declined 20 percent from 2007 to 2013. Per capita water use in San Diego County has declined by 31 percent since 1990. By failing to account for this conservation, the proposed regulations punish those who have conserved and rewards communities that did not make such early and sustained commitments to conservation.



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Additionally, the proposed framework offers no credit to agencies or regions that have made substantial investments in water supply reliability, thus eliminating the incentive to increase regional self-reliance as called for in the governor's California Water Action Plan. Many agencies have invested ratepayer dollars in developing highly reliable local supplies, and a credit for the development of these local supplies in the statewide mandate should be considered versus agencies that rely entirely on existing supply. In fact, the proposed framework seems to punish those who have invested in new supplies while rewarding those who have not.

For more than two decades, San Diego County has diversified our water supplies at a substantial cost by aggressively increasing the amount of wastewater that is recycled and reused, entering into a historic water conservation-and-transfer agreement with Imperial Valley for independent Colorado River supplies, and constructing the Carlsbad Desalination Project. The desalination plant is more than 80 percent complete and is on track to begin commercial production this fall, producing up to 56,000 acre-feet per year of drought-proof supplies. Under the proposed regulations, the ratepayers in San Diego County who are funding this \$1 billion project would experience no water supply benefit from the project. Therefore, we will propose that agencies that have made such investments receive credit for development of highly reliable local supplies.

The proposed framework also threatens industrial and commercial production and local agriculture which are critical to maintaining the livelihood of businesses and our economy instead of focusing on achieving savings in discretionary outdoor water use. Treating economic uses of water the same way as ornamental landscapes, will hamper economic recovery statewide. I recommend the State Water Resources Control Board not impose potentially crippling cutbacks to process water or other commercial water needed to support the economy until it is absolutely necessary for the protection of health and safety.

Unlike agriculture in other areas of the state (i.e., the Central Valley), agriculture in San Diego County is treated just like ornamental residential landscape under the proposed regulations. This inequitable treatment ignores the fact that agriculture is a major economic driver for our region. In 2013, the value of agriculture in San Diego County totaled \$1.9 billion. If left unchanged, local agriculture would be devastated under the proposed regulations.

We would like recommend that the State Water Resources Control Board continue to focus on cutting discretionary outdoor water use, which can be achieved by establishing statewide restrictions, such as limiting the irrigation of ornamental landscapes to one to two days per week statewide, based upon climate. This approach not only achieves immediate savings, but will accelerate the transformation of California landscapes from high-water-use lawns to landscapes that are more appropriate given our limited water

supplies. It also protects the economy by focusing on reducing lower-priority uses of water.

Lastly, we recommend that the State Water Resources Control Board establish the effective date of new regulations as July 1. Previous drought-related actions taken by the State Board—namely, imposing statewide water use restrictions while also requiring retail water agencies to impose separate restrictions via the mandatory phase of their drought response plans—have been confusing to individual water users. Not only will local agencies statewide need to communicate an entirely new set of regulations to their ratepayers, but agencies throughout Southern California will also contend with allocations that are likely to be effective July 1 pending a vote later this week by Metropolitan Water District of Southern California’s Board of Directors. Aligning these dates will allow agencies adequate time to plan and implement new regulations, and to properly communicate to ratepayers another set of new responsibilities.

Thank you for consideration of these comments. If you or your staff should need any additional information regarding our assessment of the proposed framework responsive to the governor’s Executive Order, please contact the undersigned at 760-753-6466.

Sincerely,



Kimberly A. Thorner
General Manager

CC: Olivenhain Municipal Water District Board of Directors
Maureen Stapleton, San Diego County Water Authority