

January 4, 2021

Keene Simonds Executive Officer San Diego Local Agency Formation Commission 9335 Hazard Way, Suite 200 San Diego, CA 92123

VIA EMAIL

RE: Rainbow Municipal Water District Compliance with Reduced Reliance on the Delta

Dear Mr. Simonds,

This letter is in response to assertions made by the San Diego County Water Authority (SDCWA) to Rainbow Municipal Water District's (RMWD) Application for Reorganization and to concerns raised by Delta Watermaster Michael George in a September 17, 2020 email to (SDCWA) General Manager Sandy Kerl¹ regarding reduced reliance on the San Francisco -Sacramento Bay Delta (Delta) for its water supplies. This letter also serves as RMWD's supplement to the *Analysis of Reduced Reliance Under Reorganization (December 2020)* provided to LAFCO by the Fallbrook Public Utilities District (FPUD).

In its September 2020 Combined Response(Combined Response) SDCWA made the inaccurate assertion that approval of the proposed Reorganization would cause RMWD and the Metropolitan Water District of Southern California (MWD) to increase their reliance on the Delta for water supply contravening state policy and state law. A September 17, 2020 email from Delta Watermaster Michael George apparently based on limited information supplied to him by SDCWA raised his concerns that Reorganization could result in increased reliance on the Delta. Approval of the Reorganization will <u>not</u> result in increased reliance on the Delta by either RMWD or MWD and both agencies will continue to contribute to reduced reliance in accordance with California state law and policy.

As noted in FPUD's Analysis of Reduced Reliance Under Reorganization (FPUD Report – see https://www.sdlafco.org/home/showpublisheddocument?id=5438), SDCWA's assertion that the proposed Reorganization will result in increased reliance on the Delta completely ignores that the State of California has defined what reduced reliance on the Delta means and the process and quantitative methodology to assess that reduction. It is not the purpose of this letter to reiterate the analysis and conclusions formulated in the FPUD Report but to build upon those from the perspective of RMWD. To accomplish that purpose RMWD will detail how the Reorganization will not affect RMWD reliance on the Delta and how RMWD will be in compliance with the State's requirements and guidance on demonstrating reduced reliance on the Delta.

The State of California has Defined Reduced Reliance in Statute and Regulation

In its Combined Response SDCWA asserted that approval of the Reorganization would be in "contravention" with the 2009 Delta Reform Act and a state water supply mandate. In his email to SDCWA General Manager

^{1 1} September 17, 2020 12:26 pm George, Michael@Waterboards to Kerl, Sandy subject: Reduced Demand on Delta. This email was forwarded by SDCWA to LAFCO (George Email).

Sandy Kerl, Delta Watermaster Michael George described this and other key elements the state uses to determine reduced reliance on the Delta.

In considering the Fallbrook and Rainbow proposal, it is appropriate for all parties to take notice of California's policy of reducing reliance on the Delta as a water supply source:

The policy of the State of California is to reduce reliance on the Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency. Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts. Water Code §85021.²

There is great specificity in this statute as to what constitutes contributing to reduced reliance. Firstly it's important to note that the main emphasis is *"regional self-reliance"* for every region that is dependent on water from the Delta watershed. As it pertains to the proposed Reorganization the region that is dependent on water from the Delta is the MWD service area. The MWD service area includes RMWD, SDCWA and Eastern Municipal Water District (EMWD) and the contributions they and all other water suppliers in MWD's service area make to regional self-reliance. In its analysis of reduced reliance FPUD provided documentation on how EMWD and MWD have contributed and will continue to contribute to reduced reliance on the Delta in the future³. Because of limitations recognized by the State of California⁴ in its reduced reliance policies and regulations RMWD has not been able to implement the wide array of water resources strategies contained in Section 85021 but it has made significant contributions through water conservation and reduced water usage⁵.

RMWD is In Compliance with Water Code §85021

In its 2015 Urban Water Management Plan (UWMP) RMWD demonstrated its contribution to reduced reliance on the Delta through reducing its per capita water use in conformance with the 2009 Water Conservation Act (SB X7-7). SB X7-7 requires retail urban water suppliers like RMWD to reduce its per capita water use from an historical baseline by 20% by 2020. It required documenting performance toward that goal and an interim 2015 goal in the water supplier's 2015 UWMP.

The following table is excerpted from RMWD's 2015 UWMP and provides the calculated SB X7-7 conservation GPCD targets for both 2015 and 2020. It's important to note that the predominant water use within RMWD, approximately 65% of total use, is for agricultural purposes. While RMWD has a high percentage of agricultural water use it has a low density population. Because of these factors agricultural water use is included in the calculation of RMWD's GPCD under SB X7-7.

³ Analysis of Reduced Reliance Under Reorganization (December 2020) Fallbrook Public Utility District Pages 16-21

² George email. Italics added

⁴ 23 CCR Section 5003 (c)

⁵ Id

Baseline Period	Start Year	End Year	Average Baseline GPCD	2015 Interim Target	Confirmed 2020 Target
10 year	1999	2008	1503	1,352	1,202
5 Year	2003	2007	1515		

Notes: All values are in Gallons per Capita per Day (GPCD). Target GPCDs from SBx7-7 Table 8.

The following table displays RMWD's performance relative to those GPCD targets as reported in its 2015 UWMP.

Table 5-2: Per Capita Use 2015 Compliance

Actual 2015		Optional Adjustments		2015 GPCD*	Did Supplier Achieve Targeted	
2015	Target GPCD	Total Adjustments	Adjusted 2015 GPCD	(Adjusted if applicable)	Reduction for 2015?	
883	1352	0	883	883	Yes	

Notes: All values are in Gallons per Capita per Day (GPCD)

The above table from RMWD's 2015 UWMP illustrates that customer water use was 35% below its state mandated 2015 Interim Target and 26% below its 2020 Target. It is important to note that 2015 was the height of the last statewide drought. RMWD and all other retail urban water suppliers with the Emergency Conservation Regulation imposed by Governor Brown and the State Water Resources Control Board (SWRCB)⁶. However, RMWD's customers efforts at water conservation continued after the drought ended and the Emergency Conservation Regulation was rescinded. Monthly reports on per capita residential water use are still required by the SWRCB. RMWD reported its average annual Residential GPCD in the following Table in its 2015 UWMP.

Table 5-A: Residential GPCD

Reporting Period	Residential GPCD	
FY 2015	285	

Notes: Gallons per Capita per Day (GPCD)

RMWD Continues to Conserve Water

RMWD average per capita residential water use for FY 2020 was 181 GPCD, a 37% reduction from average residential per capita use in FY 2015. As reported to the SWRCB, RMWD's Residential GPCD for the three peak summer water use months of July, August and September 2020 averaged 289 GPCD, 12% below the Residential GPCD for the same period of time in 2013 the benchmark year used by the SWRCB to evaluate performance under the Emergency Conservation Regulation. In FY 2019 RGPCD was 172 and in FY 2018 a dryer and warmer

⁶ Executive Orders B-29-15, B-36-15, B-37-16

weather year it was 202 GPCD. Residential water use in those two years reflect a reduction of 40% and 23% respectively. Dry or wet weather extremes generally result in an increase or decrease of approximately 7% in water use. RMWD residential savings are far outside those weather induced effects. Factoring agricultural water use for FY 2020 RMWD's total combined GPCD of 660 compared to its SB2020 target of 1,202 GPCD reflects a 45% reduction and is 25% less than its 2015 actual GPCD.

RMWD has Reduced its Agricultural Water Use

Although RMWD is required to prepare an UWMP every 5 years and in 2016 it was also a lead agency in preparing a 2015 Regional Agricultural Water Management Plan (RAWMP)⁷. The RAWMP was prepared by the San Diego County Farm Bureau on behalf of RMWD and 13 other agencies with commercial agricultural customers. During the last state-wide drought the SWRCB in their May 15, 2015 *Emergency Regulation For Statewide Urban Water Conservation* (Emergency Regulation) allowed urban water suppliers to deduct commercial agricultural deliveries from their agency's conservation target if they:

"Comply with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order for all commercial agricultural water served by the supplier that is subtracted from its total potable water production "⁸

For that purpose RMWD was part of a regional effort led by the Farm Bureau to also prepare a 2015 RAWMP. The requirements to prepare a RAWMP are codified in California Water Code Section 10826 (e) and require that certain water use efficiency information be included in the RAWMP. This includes Efficient Water Management Practices (EWMPs) termed Critical EWMPs (Section 10608.48) or Conditional EWMPs (Section 10608.48 (c)). Critical EWMPs are required of all agricultural water suppliers and Conditional EWMPs are subject to being locally cost-effective and technically feasible⁹. The 2015 RAWMP was approved by the California Department of Water Resources (DWR) and found that <u>RMWD and other agencies with commercial agricultural customers had implemented all critical EWMPs and those conditional EWMPs that were locally cost effective and technically feasible.</u>

RMWD and its customers are committed to agricultural water use efficiency and will continue to be under Reorganization and will continue to contribute to reduced reliance on the Delta consistent with Section 85021. As described in the 2015 RAWMP, RMWD has invested in agricultural water use efficiency through various regional programs including those offered through the Mission Resources Conservation District (MRCD) that work directly with the District's growers. The scope of the programs RMWD and its agricultural customers participate in are noted in the 2015 RAWMP:

The WUE¹⁰ programs have included direct assistance to retail water users, implementation of University of California Cooperative Extension (UCCE) BMPs, funding information assistance, and water purveyor efficiency practices.¹¹

 ⁷ San Diego County Farm Bureau, San Diego Regional Agricultural Water Management Plan Feb 2016
 ⁸ emphasis added

⁹ Locally cost effective" means that the present value of the local benefits of implementing an agricultural efficiency water management practice is greater than or equal to the present value of the local cost of implementing that measure." (Water Code §10608.12 (k))

¹⁰ Water Use Efficiency

¹¹ San Diego County Farm Bureau, San Diego Regional Agricultural Water Management Plan Feb 2016 Part I Section 12 addresses WUE programs

RMWD and its agricultural customers will continue to participate and invest in these water use efficiency programs under Reorganization in compliance with Section 85021.

State of California Recognizes not All Water Suppliers can Implement All Water Resource Strategies

Delta Watermaster Michael George also noted in his September 17, 2020 email the central role in determining reduced reliance the Delta Stewardship Council was given in the 2009 Delta Reform Act. Mr. George highlighted the importance of the Delta Plan and cited this important factor:

In pursuit of the State's effort to reduce reliance on the Delta as a water supply source, the Council included in the Delta Plan a regulatory policy [WR P1: Reduce Reliance on the Delta through Improved Regional Water Self-Reliance]. In explaining the scope and purpose of the policy, the Council noted:

It is important to recognize that reliance on water from the Delta...varies throughout California, from region to region and water supplier to water supplier. Some water suppliers have greater access to alternative water supplies or have a greater ability to implement a diverse range of water efficiency and water supply projects. Others...may have a narrower range of options.... The key is that every supplier must do its part and take appropriate action to improve regional self-reliance and contribute to reduced reliance on water from the Delta watershed. The Delta Plan, 2013, Appendix G at G-5.¹²

Neither Section 85021 or Delta Plan regulation WR-P1 requires a water supplier to implement all the water resource strategies listed in the statute or achieve a specific amount of reduction in Delta water use. The Delta Plan acknowledges that not all water suppliers have access to the range of water supply options as other suppliers may have. Delta Plan Appendix G further states:

Analyze and Implement. Water suppliers must have identified, evaluated, and commenced implementation, consistent with the schedule they identify in their plan, of the <u>technically feasible</u>, <u>locally cost-effective programs and projects</u> that will reduce their reliance on the Delta.¹³

RMWD has diligently, over a long period of time, including in its 2015 UWMP, examined the technical and financial feasibility of implementing an alternative supply project. This is evidenced by the inclusion of local supply projects in RMWD's 2015 UWMP as shown in the following excerpted table

¹² George email (emphasis added)

¹³ The Delta Plan, Appendix G at G-4. (Emphasis added.)

Name of Future Projects or Programs	Joint Project w/ other agencies?	Description	Possible Implementation Year	Planned for Use in Year Type	Possible Supply (AF/yr)
Rainbow Recycled Water Project – Initial Phase	No	The project would produce recycled water for irrigation uses within the District service area.	2020 to 2025	All (baseline supply)	1,000
Bonsall Groundwater Desalter – Initial Phase	No	The project would treat brackish groundwater for potable use within the District service area	2020 to 2025	All (baseline supply)	2,000
			•	TOTAL:	3,000

<u>NOTES</u>: Only "Planned" projects are included. Planned projects are those that have been subject to affirmative feasibility investigations, but which have additional permitting, environmental, and/or financial approval hurdles remaining before they are implemented. This table is not part of the official DWR UWMP table set and is presented as supplemental information only.

At this point the results of those evaluations have not shown that such a project would be a cost effective alternative supply project. As recognized in the Delta Plan and in Section 85021 RMWD has contributed and demonstrated its reduced reliance on the Delta through its documented reduction in GPCD water consumption through its conservation activities. As stated in Delta Plan regulation WR P1 and DWR's Draft 2020 UWMP Guidebook:

"According to WR P1(c)(1)(C), water use efficiency savings are considered a source of water supply."¹⁴

DWR's Draft Guidebook goes on to explain how to calculate water use efficiency in relation to demonstrating reduced reliance on the Delta:

"This calculation of per capita water use efficiency savings as an additional supply (WUE Supply) can only be done if the Supplier's demands and population estimates reflect full retail-level data.... Suppliers that provide a forecast that already explicitly quantifies the water use efficiency savings in their UWMPs do not need to complete this calculation – they have already reported the WUE Supply"¹⁵

RMWD demand and population estimates are reflective of the full retail level data and RMWD has in the 2015 UWMP and will in its 2020 UWMP report its water use efficiency consistent with DWR guidelines and part of its demonstration of reduced reliance on the Delta. **RMWD has and will continue to reduce its reliance on the Delta now and under Reorganization and will be in compliance with Section 85021 of the California Water Code and Delta Plan Regulation WR P1** as further discussed below.

RMWD Demonstrates Reduced Reliance Consistent with Delta Plan Regulation WR P1

Delta Watermaster Michael George in his September 17, 2020 email to SDCWA General Manager Sandy Kerl noted that in the 2009 Delta Reform Act,

¹⁴DWR Draft 2020 UWMP Guidebook Appendix C (Emphasis added)

the legislature created the Delta Stewardship Council (Council) and charged the Council with developing a comprehensive plan (the Delta Plan) to accomplish the State's co-equal goals of improving water supply reliability and restoring the Delta's ecosystem, while protecting the Delta as an evolving place. [WC §85300 et seq.]... In pursuit of the State's effort to reduce reliance on the Delta as a water supply source, the Council included in the Delta Plan a regulatory policy [WR P1: Reduce Reliance on the Delta through Improved Regional Water Self-Reliance].¹⁶

Mr. George stated that LAFCO approval of the Reorganization does not directly trigger WR P1 because it does not result in a physical change to the Delta. A physical change to the Delta is termed a "covered action"¹⁷. Mr. George did state in his email that the California Department of Water Resources is proposing a a new Delta Conveyance Facility which would require that water suppliers receiving water from the Delta watershed demonstrate consistency with WR P1¹⁸

As described in detail in the FPUD Report¹⁹, the state of California has specific legal requirements and has provided detailed guidance on how it will determine reduced reliance on the Delta for water suppliers. Delta Plan regulation WR P1, Delta Plan Chapter 3 Appendix G, and the California Department of Water Resources (DWR) Draft 2020 Urban Water Management Plan provide the sole valid guidance from the State of California for LAFCO to assess the effects of the Reorganization on reduced reliance on the Delta.

Water supplier consistency with WR P1 will be demonstrated by RMWD in its upcoming 2020 UWMP through a comprehensive analysis according to the methodology detailed by DWR in its Draft 2020 UWMP Guidebook. Although that comprehensive analysis will not be completed until the spring of 2021 it is possible to conduct a simplified and preliminary analysis as described in the FPUD Report²⁰. This analysis, subject to refinement in RMWD's 2020 UWMP, will still provide an accurate assessment of the trend of reduced reliance. RMWD conducted a similar analysis to what is provided for in the FPUD Report relying on the 2005 and 2015 UWMPs of RMWD, MWD and SDCWA to both establish an historic baseline for reliance on Delta supplies and to estimate future RMWD reliance under Reorganization.²¹ As noted in the DWR 2020 UWMP Guidebook:

This baseline is the amount of Delta water used historically that will be compared to current and projected future Delta water use in order to calculate how Delta water use and regional self-reliance have changed over time... In order to provide "the expected outcome for measurable reduction in Delta reliance", the demonstration of reduced reliance will need to also include projected future Delta water use and compare that to baseline water use²²

DWR is also explicit in its guidance that average weather year conditions should be used in comparing to the historic baseline. DWR further states that estimates modeled in agencies UWMPs provide the best estimate of water demands and supplies under average weather conditions.²³ Using the parameters set in DWR guidance for using average or normal year weather conditions RMWD selected 2010 as the historic baseline and 2025 as the future year projection under the Reorganization. For purposes of this preliminary analysis RMWD will first present MWD regional self-reliance based on the total alternative supplies and conservation achieved by all

¹⁶ George email

¹⁷ Water Code section 85057.5(a)

¹⁸ George email

¹⁹ Fallbrook Public Utility District, Analysis of Reduced Reliance on Delta ,December 2020, Page 9

²⁰ Id, Page 29-31

²¹ Historic baseline year 2010 is from 2005 UWMPs and projected 2025 use is from 2015 UWMPs

²² Draft DWR Guidebook, Appendix C, starting at Page C-6 – C-7.

²³ A full discussion of this DWR guidance is included in the FPUD Report beginning at Page 30

MWD member agencies. RMWD believes that is the correct interpretation of DWR guidance and is the way SDCWA expressed its future reliance on the Delta in their Combined Response²⁴. MWD and RMWD's reduced reliance are demonstrated in the following tables:

Establishing MWD Reliance on Delta				
	<u>2010</u>	<u>2025</u>		
Total MWD Demand Before	5,520,000	5,393,000		
Conservation (Acre Feet)				
Water Conservation Savings	955,000	1,127,000		
Local Supplies	2,223,000	1,349,000		
SDCWA QSA Supplies	170,000	282,000		
Demand On MWD	2,262,000	1,635,000		
Colorado River	711,000	686,000		
State Water Project	1,551,000	949,000		
MWD Percent SWP to Total MWD	69%	58%		
Supply				
Percent Reliance on Delta to Total	28%	18%		
MWD Service Area Supply				

According to WR P1, a water supplier's reduced reliance can be expressed as a percentage reduction <u>or</u> the reduction in acre feet used of Delta supplies.²⁵ To capture RMWD water use efficiency gains reduced reliance on the Delta will be expressed as a reduction in acre feet of Delta supply used. Based on previous UWMPs RMWD's reliance on the Delta can be expressed as follows:

		2010	2025
Total Consumptive Demand (AF)		27,146	20,820
Total Demand For Imported Water (AF)		27,146	20,820
	SDCWA QSA Supply ²⁶	6,979	
	MWD Supply	20,167	20,820
MWD Percent Dependent on Delta		28%	18%
Percent Dependent on MWD		74%	100%
RMWD Amount of SWP Supply (AF)		5,647	3,748
Increase/(Decrease) in Reliance on Delta (AF)			(1,899)

Calculating RMWD Baseline and Future Reliance on Delta

SDCWA and its consultant Straecon advocated to LAFCO that MWD's regional self-reliance should be displayed simply as the amount of MWD's SWP water to their total supplies. That perspective fails to take into account the contributions of all of MWD member agencies and sub-agencies to reduced reliance on the Delta. Although RMWD believes that is a flawed perspective and inconsistent with DWR guidance RMWD has calculated its reliance in that manner solely for illustrative purposes.

²⁴ Fallbrook Public Utility District, Analysis of Reduced Reliance on Delta ,December 2020, Pages 22-24
²⁵ 23 CCR § 5003(c)(1),(The expected outcome for measurable reduction in Delta reliance and improvement in regional self-reliance shall be reported in the Plan as the reduction in the amount of water used, or in the percentage of water used, from the Delta watershed.)

²⁶ SDCWA 2005 UWMP. SDCWA QSA supplies accounted for 26% of the total SDCWA supplies in normal year projection for 2010.

		<u>2010</u>	<u>2025</u>
Total Consumptive Dema	and (AF)	27,146	20,820
Total Demand For Impor	ted Water (AF)	27,146	20,820
	SDCWA QSA Supply	6,979	NA
	MWD Supply	20,167	20,820
MWD Percent Depender	nt on Delta	69%	58%
Percent Dependent on N	/IWD	74%	100%
RMWD Amount of SWP	Supply (AF)	13,915	12,076
Increase/(Decrease) in F	Reliance on Delta (AF)		(1,839)

Calculating RMWD Baseline and Future Reliance on Delta (Using MWD SWP and Colorado River Supplies Only)

In summary, RMWD reliance under Reorganization compared to an historic baseline results in a reduction in acre feet used regardless of whether MWD regional-self-reliance reflects the contribution of all its member agencies or if it is assessed solely from the perspective of MWD supplies.

As can be demonstrated in the above tables and based on substantive evidence from approved UWMPs under Reorganization RMWD can demonstrate consistency with WR P1 by a reduction in reliance on the Delta through both a reduced percentage of total supply and by a reduction in ace feet used.

RMWD will Receive the Same Amount of SWP Water Before and After Reorganization

In its Combined Response SDCWA claimed that under Reorganization that RMWD, FPUD and MWD would increase its use of State Water Project (SWP) water and thus increase reliance on the Delta. In its Combined Response SDCWA sought to downplay the requirements of MWD to operate its water conveyance and treatment system in an integrated manner to deliver SDCWA Quantification Settlement Agreement (QSA) water under the 2003 SDCWA-MWD Amended and Restated Exchange Agreement. SDCWA asserted that a technical report prepared by EMWD was incorrect in stating that Reorganization would not result in an increase SWP deliveries in the Skinner Service Area²⁷. As discussed at length in the FPUD Report SDCWA's claim is incorrect²⁸. MWD operates it system to meet the total water demand of all of its member agencies in the Skinner Service Area and achieves lower salinity of Colorado River by blending it with less saline SWP water in accordance with MWD Board policy and secondary drinking water regulations. This is to the public benefit of all agencies and customers receiving water delivered by MWD in the Skinner service area and is entirely consistent with and reflected in the SDCWA-MWD Exchange Agreement.

EMWD is correct, under Reorganization RMWD and FPUD will receive the same amount of SWP water they receive currently as a member agency of SDCWA.

CONCLUSIONS

The following is accurate regarding RMWD's compliance with state policy and law regarding reduced reliance on the Delta

• RMWD is and will continue to be in compliance with Section 85021 of the Water Code and will contribute to reduced reliance on the Delta through water use efficiency

 ²⁷ February 12, 2020 EMWD Technical Memorandum. Page 1 ((Water Resources and Facilities Planning Department), Analysis of Eastern Municipal Water District's Water Supply and System Reliability with the Potential Annexation of Fallbrook Public Utility District and Rainbow Municipal Water District).
 ²⁸ Fallbrook Public Utility District Analysis of Peduced Peliance on Delta, December 2020, Pages 20-22.

²⁸ Fallbrook Public Utility District, Analysis of Reduced Reliance on Delta ,December 2020, Pages 20-22

- RMWD is in compliance with Delta Plan regulation WR P1 and will demonstrate that fact in its 2020 UWMP
- Reorganization will not result in increased SWP water use by RMWD or MWD

Thank you for your attention.

Sincerely,

RAINBOW MUNICIPAL WATER DISTRICT

Tom Kennedy

General Manager

cc: Alfred Smith, General Counsel Lloyd W. Pellman, Co-General Counsel RMWD Board of Directors