



San Diego County Water Authority

4677 Overland Avenue • San Diego, California 92123-1233
(858) 522-6600 FAX (858) 522-6568 www.sdcwa.org

November 5, 2016

Randy Record and
Members of the Board
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

MEMBER AGENCIES

- Carlsbad Municipal Water District
 - City of Del Mar
 - City of Escondido
 - City of National City
 - City of Oceanside
 - City of Poway
 - City of San Diego
 - Fallbrook Public Utility District
 - Helix Water District
 - Lakeside Water District
 - Olivenhain Municipal Water District
 - Otay Water District
 - Padre Dam Municipal Water District
 - Camp Pendleton Marine Corps Base
 - Rainbow Municipal Water District
 - Ramona Municipal Water District
 - Rincon del Diablo Municipal Water District
 - San Dieguito Water District
 - Santa Fe Irrigation District
 - South Bay Irrigation District
 - Vallecitos Water District
 - Valley Center Municipal Water District
 - Vista Irrigation District
 - Yuima Municipal Water District
- OTHER REPRESENTATIVE**
- County of San Diego

RE: Board Memo 7-6: Adopt CEQA determination and authorize entering into a Water Savings Incentive Plan Agreements with Tri-Star Dyeing and Finishing Inc. -- **OPPOSE**

Chairman Record and Members of the Board:

The Water Authority and its member agencies have a strong record of leadership in water conservation planning resulting in implementation of fiscally responsible programs and policy implementation. Since the early 1990s, the San Diego region’s per capita water use has dropped by almost 40 percent. We recently launched a “Live WaterSmart” public outreach campaign to ensure the San Diego region continues water use efficiency as a positive and permanent ethic. While we strongly support water conservation, we oppose Board Memo 7-6, for both legal and policy reasons.

On the legal side, we oppose this board action because the proposed source of funding is MWD's Water Stewardship Rate, which has already been ruled an illegal tax, and invalidated by the San Francisco Superior Court.ⁱ More generally, Board Memo 7-6 makes very broad, unsupported claims about the Water Savings Incentive Program (Program) and this project (Project), including that it:

"benefits all member agencies regardless of project location, helps to increase regional water supply reliability within Metropolitan's entire service area, reduce demands for imported water supplies, decrease the burden on the district's infrastructure and reduce system costs, and free up conveyance capacity to the benefit of all system users. In addition, this program helps Metropolitan meet its legislative mandates under SB 60 to expand water conservation, recycling, and groundwater storage and replenishment measures."

However, MWD offers no evidence of such broad regional benefits; to the contrary, Board Memo 7-6 shows on its face the specific private business and member agency that will benefit from the \$692,000 cost proposed to be incurred by MWD, namely, Tri-Star Dyeing and Finishing Inc. and Central Basin Municipal Water District (Central Basin). Contrary to the statements contained in Board Memo 7-6, MWD has judicially admitted that the Program benefits only the individual member agencies, and in this case, a private business -- not the MWD service area generally. Similarly, MWD has failed to demonstrate any need to "free up system capacity" or that this particular local water supply project will achieve that in any measurable way.ⁱⁱ

On the policy side, as stated in previous letters, we believe MWD is not only capable of developing, but has a responsibility to develop water conservation programs that are more than just very expensive "gimmicks"ⁱⁱⁱ -- programs that measure performance benefits, are fiscally responsible and are paid for with a lawful funding source. We objected to passage of Minute Items 48772, 49068 and 49542 because MWD's current conservation planning fails to accomplish these objectives. Rather than self-defining its role as a financing agency, MWD should focus on the real mandate of SB 60, namely, developing a water supply plan that reduces the region's demand for water from the Bay Delta in a quantifiable, measurable way.^{iv}

Sincerely,



Michael T. Hogan
Director



Keith Lewinger
Director



Elsa Saxod
Director



Fern Steiner
Director

ⁱ See August 12, 2016 letter RE Board Memo 8-1: Adopt CEQA determination and authorize entering into Water Savings Incentive Plan Agreements with Dye Finishing Companies - OPPOSE, incorporated herein by reference.

ⁱⁱ The Water Authority has presented letters OPPOSING Board Memos 7-2, 7-3, 7-4 and 7-5 on this month's Water Planning and Stewardship and Board meeting agendas. Those letters, and each and every basis of the Water Authority's objections to the proposed board actions, are incorporated herein by reference.

ⁱⁱⁱ MWD conservation programs have garnered some troubling attention that could ultimately prove to be counterproductive to achieving near and long-term conservation objectives. See, for example, *Grass Warfare in L.A., Some well-intentioned Angelenos traded grass for gravel on their front lawns. It got ugly*, <https://www.bloomberg.com/features/2016-turf-terminators-grass-war/>.

^{iv} As noted in the Water Authority's letters in footnote ii above, MWD misconstrues the legislative mandate of SB 60 (Hayden) as one that requires it to pay for local water supply development by individual member agencies. Even that were the primary purpose of the bill, which it was not, MWD would still be required to meet cost of service legal requirements including the Constitutional limitations of Proposition 26.