



October 7, 2010

Manucher Alemi, Ph.D., P.E.  
Chief, Water Use and Efficiency Branch  
Division of Statewide Integrated Water Management  
Department of Water Resources  
901 P Street  
Sacramento, CA 95814

**RE: Chapter 5.2 Process Water Use Reporting for SBX7-7 – Revised Comments**

Dear Mr. Alemi:

Thank you for the opportunity that the California Department of Water Resources (DWR) has continued to provide California Urban Water Agencies (CUWA) by allowing our participation in the U5 Subcommittee of the Urban Stakeholder Committee (USC). You requested that CUWA provide any additional feedback or suggestions regarding DWR's most recent Industrial Process Water Deduction Methodology (Process Water Methodology) prior to your October 12, 2010 webinar on this topic. The purpose of this letter is to address this request and request clarification regarding DWR data used in the latest figures you used to update the Process Water Methodology.

CUWA continues to stand by our comments made in our September 24, 2010 letter to DWR and continues to maintain that the threshold allowing 100% deduction of process water be returned to 10%, as DWR had presented at its August 5, 2010 U5 Subcommittee meeting. Additionally, we continue to support our suggestion that those urban water suppliers whose process water volume is less than 10% be allowed to deduct a percentage of their process water use from Gross Water Use. However, in an effort to support DWR's desire to secure consensus regarding this methodology, and after further consideration of comments made by U5 Subcommittee stakeholders on September 16, 2010, we have made several modifications to our September 24, 2010 proposal that are noted on the revised CUWA proposal attached to this letter.

In an attempt to build on past efforts and stakeholder input, CUWA's modified proposal includes: an increase in the percentage of total industrial water from 3.5% to 5% that would be required under the 2(a) approach before a partial process water deduction would be realized, several concepts for allowing process water deductions under 2(b) that were discussed at the last U5 stakeholder meeting, and an adjustment to triggers under 2(c) which make the standards more stringent. Additionally, we have incorporated DWR's modified Section 596.2 [Item 2(b)(3)] to reflect the 15 gallons per capita per day (GPCD) figure noted in your most recent Process Water Methodology.

---

455 Capitol Mall, Suite 705, Sacramento, CA 95814 916.552.2929 FAX 916.552.2931

Manucher Alemi, Ph.D., P.E.

October 7, 2010

Page 2

We look forward to continuing to work with DWR and other U5 Subcommittee stakeholders as they consider our revised Process Water Methodology proposal at the October 12, 2010 webinar.

Should you have any questions regarding our enclosed information, please feel free to contact me at (916) 552-2929.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernesto A. Avila". The signature is written in a cursive style and is enclosed within a hand-drawn circle.

Ernesto A. Avila, P.E.  
Executive Director

EAA/mmt  
Enclosure



**California Code of Regulations  
Title 23. Waters  
Division 2. Department of Water Resources  
Chapter 5.2. Process Water Use Reporting for SBX7-7**

**§596.2.** Determination for Excluding Industrial Process Water from the gross water use calculation. This determination can be made:

1. When calculating Gross Water Use, up to 100% of process water may be excluded if industrial water use is equal to or greater than 10 percent of Gross Water Use.
2. When calculating Gross Water Use and the process water is less than 10% of Gross Water Use, the agency may deduct process water using any one of the following three criteria:
  - (a) If the percentage of total industrial water use to the total gross water use falls within the ranges, the percentage of process water may be deducted as indicated in each tier.
    - (1) Below 5.0 percent does not qualify.
    - (2) Between 5.0 and 6.5 percent, deduct up to 25 percent of process water.
    - (3) Between 6.51 and 7.49 percent, deduct up to 50 percent of process water.
    - (4) Between 7.5 and 9.9 percent, deduct up to 75 percent of process water.
  - (b) If the water supplier has self certified the sufficiency of its water conservation program with DWR under the provisions of AB 1420, and meets any one of the following criteria, the agency may deduct up to 100% of its process water:
    - (1) The water supplier's avoided cost of water is less than \$300 per acre foot, where the \$300 trigger will increase over time consistent with the increase in the consumer price index, or
    - (2) Greater than 25% of the water suppliers' population served resides within a disadvantaged community, or
    - (3) The gpcd from industrial water use is equal to or greater than 15 gpcd.
  - (c) If the gpcd from non-industrial water use falls within the ranges below, the percentage of process water may be deducted as indicated in each tier.
    - (1) Less than 125, deduct up to 75% of your process water.
    - (2) 126-155, deduct up to 50% of your process water.
    - (3) 156-195, deduct up to 25% of your process water.
    - (4) 196-250, deduct up to 10% of your process water.
    - (5) Greater than 250, no deduction.