



May 5, 2011

Manucher Alemi, Ph. D., P.E.
Chief, Water Use and Efficiency Branch
SBX7-7 Program
P.O. Box 942836
Sacramento, CA 94236-0001

Submitted Electronically

Re: SBX7-7 – DRAFT Water Measurement Regulation and Fiscal Impact Analysis

Dear Mr. Alemi:

Oakdale Irrigation District (OID) has been involved as an active participant in both the Agricultural Stakeholder Committee (ASC) and the A2 Measurement Subcommittee (A2). For nearly a year, OID staff has attended numerous meetings, voiced concerns and submitted written comments all with the intent of reaching an efficient, viable, economically feasible, practical and, more importantly, implementable Water Measurement Regulation (Regulation). The Proposed DRAFT Regulation dated May 3, 2011 is not that Regulation.

Beginning in 2004 and culminating in 2007, OID completed a \$1.88 million Water Resources Plan (WRP) and associated CEQA compliance documents to address the rehabilitation, rebuilding and modernization of its irrigation system. In 2007 and 2008 OID budgeted nearly \$11 million in CIP improvements to begin implementing identified WRP improvements. In 2009 OID secured \$32 million in bond funds to further advance its rebuilding and modernization efforts. No one knows better than OID's Board of Directors, management and our committed constituents on the value and need to attain the highest level of water resource management however, it would appear that this DRAFT Regulation presents a roadblock to our future.

As shown in the revised Fiscal Impact Analysis dated April 22, 2011, the cost of implementation statewide is *estimated* to be nearly \$500 million. At OID that estimate is near \$10 million in direct costs and another \$10 million in indirect costs to comply with this DRAFT Regulation. To change course, to re-direct and re-prioritize the needs of our

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district to meet a regulatory requirement to measure water at the farm gate just doesn't make sense. OID has done its homework; it has invested in a plan that shows the concrete value of water saved by invested dollar. OID knows, as other irrigation districts know, where we need to invest to meet our future water needs. This DRAFT Regulation may work for those without a plan, for those districts not compliant with the guidance provided by AB3616, and districts without an approved Water Management Plan with the Ag Water Management Council, but it doesn't work for us. OID sees value in such a program, but not a program that will consume the limited economic resources we have committed to meet our existing planning efforts.

Compliance with the DRAFT Water Measurement Regulation will detract from what we have done, what we are doing, and what we plan to do. As conveyed to you and the project team in previous discussions and written comments, OID wishes to comply with the DRAFT Regulation, but to do so, the Regulation must be implementable, flexible and fit within the economics of ongoing programs. That being said, OID recommends that DWR step back from the details and review the overarching practicality concerning implementation specifically concerning timing (compliance), requirements under Proposition 218, economic impact (detraction from what we are doing now), actual intent of the legislation, public perception and the accuracy of the data which will be generated.

OID appreciates the opportunity to be part of the process and we are confident that further consideration at a programmatic level will reveal fundamental flaws with the DRAFT Regulation as currently set-forth. Should you have any further questions, please contact John B. Davids, P.E., District Engineer at (209) 840-5537.

Sincerely,

OAKDALE IRRIGATION DISTRICT



Steve Knell, P.E.
General Manager



Al Bairos
Board President