

CAC Leads Appeal Before MWD Board

By Ken Melban

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In early July, the California Avocado Commission organized a group of agricultural representatives who spoke before the full Metropolitan Water District (MWD) board regarding the impact of current agricultural water rates. At that board meeting it was decided to place an item on the Metropolitan executive committee's agenda to further discuss our request.

In late July, A.G. Kawamura, former Secretary of Agriculture, joined Commission President Tom Bellamore and other agriculture leaders in an appeal to the Metropolitan Water District's executive committee. The request, spearheaded by the Commission, was for the creation of a working group that would address the high cost of water for agriculture in the Metropolitan service area.

There was quite a bit of discussion among the Metropolitan executive committee members, including some support, for setting up the working group. But Randy Record, Metropolitan chairman and himself a farmer, ultimately decided against creating a working group. Chairman Record did commit to a workshop format, under the Metropolitan's Agriculture and Business Outreach Committee, to provide an opportunity for agriculture's concerns and ideas to be heard.

"While we are not completely satisfied with the decision, it was a positive step forward," said Bellamore. "We remain engaged with Chairman Record and Metropolitan senior staff to identify and develop the next steps in this challenging environment."

The "challenging environment" Bellamore is referring to is California's record drought along with the ongoing rate litigation between San Diego County Water Authority and



An agricultural group met with MWD to discuss water rates this summer.

MWD. Those two factors make an already difficult situation all the more problematic.

The Commission has been successful in developing a broad coalition that includes California Citrus Mutual, California Cut Flower Commission, California Strawberry Commission, Farm Bureau of Ventura County, Irvine Valencia Growers, Orange County Farm Bureau, Riverside County Farm Bureau, San Diego County Farm Bureau, Sunkist Growers and Western Growers. The coalition has been working to identify any possible options that may help reduce the high cost of water. While the "silver bullet" continues to be elusive, there remains no shortage of ideas.

"Our short-term goal is to get Metropolitan leadership to sit at the table with us and have a genuine dialogue about our concerns and commitment to possible solutions," said CAC Water Committee Chairman Charley Wolk. "Everything needs to be put on the table. Simply telling us there's

nothing they [Metropolitan] can do is unacceptable...at least until we've been allowed to fully vet our ideas!"

Throughout our effort, the Commission has been operating under the fundamental premise that a differentiated water rate or charge for agricultural customers must be based on a differentiated level of service. In other words, agriculture can't expect a reduced rate just so we can stay in business. Any special agricultural rate will have to be tied to developing a program that is based on water industry cost-of-service standards. Water rate structures are extremely complex and involve fixed and variable costs associated with average system demands. Cost elements include supply, conveyance and aqueduct, storage, treatment, distribution, demand management, and hydroelectric. We are working to identify Metropolitan's services and associated costs that agriculture would be willing to give up, or those services we could argue (successfully) that do not benefit agriculture.

The Commission is also working to develop possible programs that would provide value to both farmers and Metropolitan. One idea is "water purchase agreements," where farmers would agree to purchase a set amount of water in a year, likely above their average purchase volume, at a reduced rate. Under this type of agreement, a farmer who opted in would have to purchase the full volume of water they committed to regardless of actual need. This program could provide more fiscal stability for Metropolitan's fixed revenues, which tend to run around 20 percent, while their fixed costs are near 80 percent.

Another opportunity worth exploring is the value agriculture provides through carbon sequestration. Under California's Cap and Trade law, utilities like Metropolitan are required to purchase carbon credits for the carbon they are generating. It may be possible to develop a protocol that would recognize the carbon sequestration avocado groves provide and offer some form of credit back to farmers. Still another idea is an improved agricultural conservation program and / or a special agricultural rate in consideration for mandatory water usage reductions when supplies are diminished.

Considering that approximately 55 percent of California's avocado growers are within the Metropolitan service area, the current attempt to negotiate more affordable water is important. However, it's not the Commission's only advocacy effort concerning water. For example, CAC re-

mains engaged with and supportive of the Escondido Growers for Agriculture Preservation (EGAP) activities. EGAP has been diligent in its campaign with the City of Escondido to develop a reclaimed water treatment and delivery system for agricultural users. Funding has already been approved and phase one construction should be completed in early 2016. Dr. David Crowley, University of California at Riverside, is conducting a side-by-side trial comparing the use of reclaimed water with potable water on avocado trees.

As water supplies continue to diminish, alternative sources must be explored. Generally, if there is the possibility for utilization of recycled water for agriculture, two obstacles exist: developing the capacity to treat water in order to ensure the quality meets the standards for healthy production; and creating an effective water delivery system. The development of treatment facilities and delivery systems are both very costly and long-term.

As a Commission we remain committed to every possible effort that may result in a more secure water supply for California avocado farmers. As such, if you know of any opportunities where the Commission may be of some assistance, please contact us at cac.iaf@avocado.org or 949-341-1955. 🥑



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