DR. BRIAN J. BRADY
GENERAL MANAGER
RANCHO CALIFORNIA WATER DISTRICT (RCWD)
RIVERSIDE COUNTY, CALIFORNIA

TESTIMONY

BEFORE THE
NATURAL RESOURCES SUBCOMMITTEE ON WATER AND POWER
UNITED STATES HOUSE OF REPRESENTATIVES

HEARING ON H.R. 1725
RANCHO CALIFORNIA WATER DISTRICT RECYCLED WATER RECLAMATION FACILITY ACT OF 2007

MAY 17, 2007

Good Morning Chairwoman Napolitano and other distinguished Members of this Committee, my name is Brian J. Brady and I am the General Manger of the Rancho California Water District (RCWD). On Behalf of RCWD and its Board of Directors it is my privilege to present this testimony to you today regarding H.R. 1725 and to discuss the water resource benefits the bill will promote.

I would like to thank Congresswoman Bono for introducing this bill along with her colleagues Representatives Issa, Lewis and Calvert. We appreciate their leadership in efforts to resolve California's water supply issues. I also want to thank your staff, the minority staff, and Representative Bono's staff for all their hard work on this issue and in the scheduling of this hearing. We have had the opportunity to meet with them on several occasions and appreciate their institutional knowledge and expertise on water issues.

It is our hope that this hearing will lead us quickly to a markup of the bill and ultimate passage by the House, action in the Senate, and a signature by the President, so that we can continue to progress on this vital project to Southern California, which will impact water supplies in all the Western states.

RCWD provides water supply, wastewater collection and treatment, and water recycling services to over 110,000 businesses and individual customers in an area encompassing 160 square miles in one of the nation's most rapidly growing areas. Riverside County—where RCWD is located—is the third fastest growing county in the nation. RCWD's service area includes the Cities of Temecula, portions of the City of Murrieta and unincorporated portions of Southwest Riverside County. The Cities of Temecula and Murrieta, alone, respectively experienced a 15 percent growth rate in 2006.

RCWD currently delivers 80,000 acre feet (AF) of water per year for domestic, commercial, agricultural and landscape uses. One of the characteristics which makes

RCWD unique in the Southern California region is the fact that 47 percent or 35,000 AF of its water delivered is used to support a thriving agricultural industry. This industry produces avocados, citrus and wine grape products that add significantly to the local and regional economy.

RCWD meets the water demands of its customers through four production sources:

1. Locally occurring groundwater
2. Fully treated water from the Colorado River and the California Bay Delta systems
3. Raw untreated water for groundwater recharge and recovery, and
4. Recycled water produced from two local wastewater reclamation facilities.

RCWD also manages the water storage rights in Vail Lake, which was created through the construction of the Vail Lake Dam in 1949.

Like much of the arid-west, RCWD faces increasing water demands, variability in water supplies, dependency on imported water, and water quality challenges. In addition, the agricultural industry in RCWD's service territory is constantly under the threat of severe interruption given that agricultural service is considered the lowest priority of delivery by RCWD's wholesale import water providers.

Due to the ongoing growth in Southwest Riverside County (currently, the third fastest growing county in the nation), total demands for RCWD's service area are estimated to rise to over 130,000 AF per year by the year 2050. For this reason, and the ever-increasing demand on the California Bay Delta and the Colorado River systems, implementation of creative and innovative projects is critical to meeting the demands of not only RCWD but all of the West.

RCWD has maximized the development of its local well water resources, groundwater recharge program, recycled water production and delivery systems and has implemented an aggressive water conservation program which includes a conservation rate structure. RCWD's innovative targeted conservation program won statewide recognition in 2007 when it was awarded the Clair Hill Environmental award by the Association of California Water Agencies.

Even with all of the above-mentioned efforts, if RCWD takes no action, future demands will have to be met with high-cost treated imported water creating additional burdens on the California Bay Delta and Colorado River systems. In order to meet these future demands in a sustainable manner and contribute to State and Federal solutions for the California Bay Delta and Colorado systems, RCWD invested in the preparation of a regional Integrated Resources Plan (IRP) that was completed in October of 2005.

The regional IRP examined current and future supply issues with a long-term perspective that analyzed all possible supply-side and demand-side management opportunities. Due to the extensive technical nature of the IRP and the quality of the proposed project

resulting from its completion, the Metropolitan Water District of Southern California has incorporated the RCWD IRP results into its Integrated Area Planning Program.

Through this extensive and thorough IRP process RCWD has developed a $103 million dollar plan to accomplish the following:

1. Expand the recycled water delivery systems,
2. Construct a demineralization facility, and
3. Construct a raw and recycled water storage and delivery system.

The implementation of this project is critical if RCWD is to meet its future demands in a sustainable manner, which reduces burdens on both the California Bay Delta and Colorado River systems, provides a sustainable supply for agricultural use, and an environmentally friendly disposal option for the reuse of recycled water.

RCWD REGIONAL INTEGRATED RESOURCES PLAN PROJECT

The project consists of three key components which work together to constitute a whole system approach to using recycled water.

Project Component One

The construction of a pipeline and pump station to Vail Lake, which will allow an additional 10,000 AF of raw water to be stored in the winter for use in the summer high demand periods.

Project Component Two

The conversion of the RCWD east side agricultural delivery system to a combined recycled and raw water delivery system. Converting this system to a non-potable (raw/ recycled) system to transport raw and recycled water will allow RCWD to utilize the additional raw water stored in Vail Lake during low demand periods to meet peak summer demands.

Project Component Three

The construction of a desalination plant in partnership with Eastern Municipal Water District. The salt levels of recycled water produced with current technology are too high to meet the basin water quality standards (current basin standard is 500 parts total dissolved solids (TDS) and current recycled water TDS levels are 750 parts TDS). Using the proposed desalination plant to lower salt levels in the recycled water will allow it to be applied for agricultural purposes. The ability to re-use this additional recycled water will free up treated import water for others' uses in California and will create a sustainable supply of irrigation water for growers out of water that is currently being non-beneficially disposed of.

This project component also will include the conversion of the west side agricultural delivery system to a recycled water system. Currently recycled water produced in RCWD's eastern service area is being pumped out of the watershed because the salt levels are too high to be re-used in the watershed. Lowering the salt levels through a desalination process will allow this valuable resource to be retained locally and also create a sustainable non-interruptible water supply for agricultural reuse.

FEDERAL AND REGIONAL BENEFITS OF THE PROJECT

When implemented, RCWD's regional IRP project will provide the following federal and regional benefits:

- It will provide cost-effective and sustainable water supplies that will relieve peak summer demand on the Colorado River and California Bay Delta systems estimated at 144 cubic feet per second (cfs).

- It will free up enough treated water supply to meet the demands of up to 70,000 households.

- It will create the ability to beneficially reuse 16,000 AF of recycled water annually, which will relieve demands on the statewide systems and will increase the sustainability of Southern Riverside County's avocado, citrus and wine industries.

- These agricultural industries add exponentially to the regional economy and provide environmental benefits as they preserve open space.

- It will enable RCWD to utilize 10,000 AF/year of unused regional storage.

- It will reduce energy requirements created by the pumping of recycled water out of the basin by $1.3 million dollars per year and reduce the cost of pumping imported water into the basin by $1.4 million per year creating a total annual reduction of energy costs for Southern California of $2.7 million dollars.

- The reduction in these pumping activities will relieve stress on California's already taxed energy system and eliminate any associated environmental impacts.

LOCAL BENEFITS OF THE PROJECT

Local benefits of the project include a substantial cost savings for water resource purchases. Currently, RCWD pays $430-$530/AF for fully treated import water. Once the

plan is implemented, the water district's cost per acre foot will significantly decrease to $230-$330/AF for raw water purchases and $163/AF for recycled water.

EXTENSIVE FEASIBILITY STUDY ALMOST COMPLETED

RCWD has partnered with the two local wholesale agencies: Eastern Municipal Water District (EMWD) and Western Municipal Water District (WMWD) for the preparation of a feasibility study for the regional IRP project. Preliminary findings of the study, which will be finalized within the next two weeks, indicate that the project is both feasible and affirms its regional and federal benefits. (The $430,000 study has been fully financed by RCWD with some financial assistance from EMWD and WMWD and no federal assistance.)

PERMITTING PROCESS

RCWD will complete the environmental work on the IRP project by December 2007, and design work for portions of the project will be completed in that same time frame. To date, RCWD has invested over $1.0 million of local funds in the planning, environmental, and design efforts related to the IRP project.

Although this project is very ambitious for an agency of RCWD's size, its implementation will help to alleviate demands on the already strained California Bay Delta and Colorado River systems. H.R. 1725 will enable RCWD to pursue vital financial assistance in its efforts to implement cost effective, environmental friendly projects that further RCWD's mission. It also will further the Subcommittee's conservation goals and its goal for water districts to deliver reliable, high quality water, sewer, and reclamation services to their customers and communities in a prudent and sustainable manner and to free-up vital resources for the surrounding states.

REGIONAL SUPPORT

The regional water supply, economic and environmental benefits of the IRP project have been recognized in various letters of support from the Metropolitan Water District of Southern California, the major purveyor of water to Southern California; The Nature Conservancy; The California Avocado Commission, which serves 6,500 grower members; Sunkist Growers; Eastern Municipal Water District; Western Municipal Water District; the Santa Ana Watershed Project Authority, which includes the five largest water agencies in the Santa Ana River Watershed: Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, Eastern Municipal Water District and Western Municipal Water District; and McMillan Farm Management Company, an agribusiness that operates over 1,500 acres of avocados and citrus in RCWD's service area and contributes approximately $20 million to the local economy.

Madam Chairwoman, I would respectfully request that these letters of support be submitted for the record. Each of these project stakeholders shares a common vision of the benefits that the proposed project brings to the region and the value it adds to their common interests.

Madam Chairwoman and other distinguished Members, I would like to thank you again for the opportunity to testify before you today. Your support of H.R. 1725 will help to make this critical and innovative regional project a success.