Permanent Special Agricultural Water Rate Program Handbook

Calendar Year 2022
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Introduction

Permanent Special Agricultural Water Rate

The Permanent Special Agricultural Water Rate (PSAWR) is a water rate for eligible agricultural customers, offered by the San Diego County Water Authority (Water Authority) to its member agencies who then pass-through the rate benefits to their eligible customers. Member agency customers that participate in the PSAWR Program receive a lower level of water service during water shortages or emergencies. In exchange, those member agency customers are exempt from paying storage and certain other Water Authority charges that fund programs that provide greater water supply reliability during shortages or emergencies. PSAWR participant properties must be in the Water Authority’s service area.

The PSAWR class of service is implemented at the San Diego County Water Authority Board of Director’s (Board’s) discretion – with the PSAWR cost benefit components subject to annual review as part of the Water Authority’s rate-setting process. The PSAWR Program may be reevaluated and/or modified at any time at the Board’s discretion.

PSAWR Program

Understanding the importance of the agricultural sector to the San Diego region, the Water Authority provides a special agricultural water rate to certain farmer and grower member agency customers. From 2008-2020, the special agricultural water rate was provided through the Transitional Special Agricultural Water Rate (TSAWR) Program. Beginning in 2021, the PSAWR Program replaced the TSAWR Program. As a separate class of service, PSAWR member agency customers receive a reduced level of water supply reliability in exchange for the lower agricultural water rates (compared to Municipal and Industrial or M&I full-service rates).

PSAWR Program Handbook

The PSAWR Program Handbook (Handbook) was developed to provide stakeholders with information on eligibility, guidelines, and procedures for administering the PSAWR Program. This version of the Handbook replaces all prior handbooks and will be used to administer the PSAWR Program for calendar year (CY) 2022.
Eligibility

To participate in the PSAWR Program, member agency agricultural customers must grow or raise – for commercial purposes – products of an agricultural, horticultural, or floricultural nature. Member agencies will be required to verify their customers’ eligibility by confirming customers are on one of the four eligibility lists described below. The Water Authority is not involved in customer enrollment for any of the four eligibility lists however, the Water Authority will provide a PSAWR Program Eligibility List annually which will include all operators on the four eligibility lists with their respective Assessor Parcel Numbers (APNs) and member agencies. The Water Authority will be responsible for updating and distributing the PSAWR Program Eligibility List on a yearly basis for member agencies’ eligibility reverification process. Member agencies will be responsible for confirmation of eligibility through enrollment in one of the following eligibility lists (administered by the San Diego Regional Water Quality Control Board or County of San Diego):

1 Regional Board General Agricultural Orders Enrollment List

In 2016, the San Diego Regional Water Quality Control Board (Regional Board) adopted General Waste Discharge Requirements for Discharges from Commercial Agricultural Operations (or General Agricultural Orders). The Regional Board requires all owners or operators of Commercial Agricultural Operations, that intend to make a profit in the San Diego region, to enroll in the General Agricultural Orders to ensure that they are implementing measures to protect downstream water quality.

2 Growers List

The Growers List is an inventory of growers that have an active pesticide operator identification number. The County of San Diego Agriculture Weights and Measures (AWM) Department is the agency that receives applications, performs surveys, and issues pesticide operator identification numbers.

3 Active Certified Producers

A Certified Producer is a farmer who has been certified by the County of San Diego’s Department of Agriculture Weights and Measures (AWM) to sell at Certified Farmers Markets (CFMs). This means that AWM inspectors have visited their farm to verify their agricultural production. AWM issues a Certified Producer’s Certificate to the farmer, which lists the products they grow and sell at CFMs.

4 Organic Producers

The United States Department of Agriculture’s National Organic Program defines “organic agriculture” as an ecological production management system that promotes and enhances biodiversity, biological cycles, and soil biological activity. This means that organic operations must maintain or enhance soil and water
quality, while also conserving wetlands, woodlands, and wildlife. This list can be obtained from the County of San Diego’s AWM Department.

Inclusion on one of the four eligibility lists above does not automatically guarantee enrollment in the PSAWR Program. Compliance with additional eligibility requirements, if any, adopted by a participating member agency’s governing board is also required.

Member agencies will be required to reverify customer eligibility for the PSAWR Program annually confirming that customers are on the latest PSAWR Program Eligibility List. If a member agency determines a customer no longer meets the eligibility requirements, that customer will be deemed ineligible for the PSAWR Program and shall be removed.

PSAWR customers may also be subject to annual site visits as an additional eligibility criteria measure to visually inspect and affirm that the operation is producing commercial goods of an agricultural, horticultural, or floricultural nature.

**Enrollment**

All PSAWR Program participants must complete a PSAWR Program Enrollment Form (Appendix D) to be eligible to participate. Member agencies are required to obtain written approval from their retail customers of their intent to enter the PSAWR Program, and such consent must be made prior to entry into the program. This shall be achieved by the retail customer completing the PSAWR Program Enrollment Form, which includes a written consent clause, and submitting it to the member agency. Member agencies will be required to provide proof that an enrollment form was received, and that eligibility is verified annually via a confirmation form that will be due annually.

**Member Agency Cost Benefits**

The cost benefits that accrue to member agencies participating in the PSAWR Program apply to three components of the Water Authority’s rates and charges listed below:

**Supply Rate Differential**

Supply Rate Differential is the difference between the Water Authority’s melded supply rate and Metropolitan Water District of Southern California’s (Metropolitan’s) full service untreated volumetric rate. For both treated and untreated deliveries, the differential for CY 2022 is $210/AF.
Storage Charge Exemption

Storage Charge Exemption is the avoidance of a commodity-based fixed charge set to recover costs associated with the Emergency Storage Program (ESP) and Carryover Storage Program (CSP). For CY 2022, the estimated regional storage charge exemption is approximately $152/AF.

Supply Reliability Charge (SRC) Exemption

Supply Reliability Charge (SRC) Exemption is the avoidance of a commodity-based fixed charge that recovers the cost of the Water Authority’s investment in long-term water supply reliability. For CY 2022, the SRC exemption is approximately $99/AF.

The benefits, currently defined, are subject to change based on an annual rate-setting analysis performed by the Water Authority. Exempt from the Water Authority’s Storage Charge and SRC, PSAWR Program deliveries are not included in member agencies’ three- and five-year rolling-average deliveries, respectively. These delivery volumes are used to calculate member agencies’ proportional shares of these commodity-based fixed charges. A member agency’s actual Storage Charge and SRC exemptions will vary based on historic purchases from the Water Authority. Member agencies are required to reasonably pass-through these cost benefits directly to the PSAWR retail customer. A sample method to calculate a member agency’s PSAWR Program cost benefit is included in the Table 1.
Table 1 – Sample Method to Calculate Member Agency CY 2022 PSAWR Cost Benefit

<table>
<thead>
<tr>
<th>CY 2022 Cost Benefit ($/AF)</th>
<th>Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Storage Charge Exemption</strong></td>
<td></td>
</tr>
<tr>
<td>Member Agency Annual Fixed Storage Charge</td>
<td>÷</td>
</tr>
<tr>
<td>(example calculation below)</td>
<td></td>
</tr>
<tr>
<td>$1,400,000</td>
<td>÷</td>
</tr>
<tr>
<td><strong>Supply Reliability Charge (SRC) Exemption</strong></td>
<td></td>
</tr>
<tr>
<td>Member Agency Annual Fixed SRC Charge</td>
<td>÷</td>
</tr>
<tr>
<td>(example calculation below)</td>
<td></td>
</tr>
<tr>
<td>$1,200,000</td>
<td>÷</td>
</tr>
<tr>
<td><strong>Supply Rate Differential</strong></td>
<td></td>
</tr>
<tr>
<td>Water Authority Melded Supply Rate</td>
<td>-</td>
</tr>
<tr>
<td>(example calculation below)</td>
<td></td>
</tr>
<tr>
<td>$1,009</td>
<td>-</td>
</tr>
<tr>
<td>Total Estimated Cost Benefit</td>
<td>$470</td>
</tr>
</tbody>
</table>

1 – The cost benefit will vary by member agency.

Table 2 summarizes the estimated cost benefits of the PSAWR Program for CY 2022:

Table 2 – Components of Cost Benefit for CY 2022 PSAWR Program

<table>
<thead>
<tr>
<th>PSAWR Cost Benefit</th>
<th>CY 2022 ($/AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated</td>
</tr>
<tr>
<td>Supply Rate Differential</td>
<td>$210</td>
</tr>
<tr>
<td>Estimated Storage Charge Exemption*</td>
<td>$152</td>
</tr>
<tr>
<td>Estimated Reliability Charge Exemption*</td>
<td>$99</td>
</tr>
<tr>
<td>Estimated Total Cost Benefit**</td>
<td>$461</td>
</tr>
</tbody>
</table>

* - Fixed charge converted to $/AF using regional Municipal and Industrial (M&I) sales forecast. Actual cost benefit from storage and reliability charge exemptions will vary by member agency.

** - Excludes any additional costs collected through other rates and charges associated with the Regional Conveyance Project.
Water Rates

Member agencies with retail customers enrolled in the PSAWR Program are assessed a water rate that reflects a reduced level of service and supply reliability. This PSAWR “all-in” rate is comprised of the following components:

- Metropolitan Full-Service Tier 1 Untreated Supply Rate
  - Components are subject to change based on Metropolitan’s rate structure revisions
- Melded Treatment Rate
- Transportation Rate
- Customer Service Charge

Table 3 summarizes the charges associated with the Water Authority CY 2022 “all-in” PSAWR rate:

Table 3: CY 2022 “All-in” PSAWR Rate

<table>
<thead>
<tr>
<th>Water Authority Rates¹</th>
<th>CY 2022 ($/AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSAWR Supply Rate (Metropolitan Full-Service Untreated Volumetric Cost (Tier 1))</td>
<td>$799</td>
</tr>
<tr>
<td>Melded Treatment Rate</td>
<td>$310</td>
</tr>
<tr>
<td>Transportation</td>
<td>$173</td>
</tr>
<tr>
<td>Customer Service^</td>
<td>$65</td>
</tr>
<tr>
<td>Total Cost – PSAWR Treated Water</td>
<td>$1,347</td>
</tr>
<tr>
<td>Total Cost – PSAWR Untreated Water</td>
<td>$1,037</td>
</tr>
</tbody>
</table>

¹- Infrastructure Access Charge is not included in this table because those charges are not based volumetrically

^ - Fixed charge converted to $/AF using the Water Authority’s regional sales forecast

Table 4 shows the PSAWR “all-in” rate and cost-benefit for CY 2022.

Table 4 – PSAWR “All-In” Rate by Water Type & Components of the PSAWR Cost-Benefit, Calendar Year 2022 ($/acre-foot)

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>PSAWR “All-In” Rate</th>
<th>PSAWR Cost-Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Untreated</td>
<td>Treated</td>
</tr>
<tr>
<td>2022</td>
<td>$1,037</td>
<td>$1,347</td>
</tr>
</tbody>
</table>
Table 5 and Table 6 breakdown the costs PSAWR participants are assessed and not assessed.

### Table 5: Rate Breakdown – Assessed

| Metropolitan Full-Service Tier 1 Untreated Supply Rate<sup>1</sup> |
|------------------------|------------------------|
|                        | -Melded Treatment Rate |
|                        | -Transportation Rate   |
|                        | -Customer Service Charge |
|                        | -Infrastructure Access Charge |

<sup>1</sup> Components are subject to change based on Metropolitan rate updates

### Table 6: Rate Breakdown- Not Assessed

<table>
<thead>
<tr>
<th>Water Authority Melded Supply Rate&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Storage Charge</td>
</tr>
<tr>
<td>-Supply Reliability Charge</td>
</tr>
<tr>
<td>-Any additional costs collected through other rates and charges associated with the Regional Conveyance Project</td>
</tr>
</tbody>
</table>

<sup>1</sup> Composed of Metropolitan, QSA and Carlsbad desalination supply costs
Administrative Duties

Water Authority Responsibility

The Water Authority shall oversee administration of the PSAWR Program at the member agency level in conformance with Board approved PSAWR policies and procedures.

Member Agency Responsibility

Member agencies are responsible for administrating the PSAWR Program at the retail customer level – with activities including, but not limited to retail customer eligibility verification, program enrollment, reporting of program deliveries, and assistance with the year-end review processes described in the next section.

Reporting Process

Monthly Reporting

Member agencies participating in the PSAWR Program will provide monthly certification forms attesting to the total volume of Water Authority supplies used to meet their eligible customers’ PSAWR agricultural water demands. All certification form values will be rounded to the nearest tenth of an acre-foot (0.1 AF). Appendix A contains a sample certification form showing required information. Member agencies’ certification forms must be submitted following the end of a reported month to receive the PSAWR rate on their next water sales invoice and the certification forms are due by either:

- 3:00 p.m. on the day after the Water Authority distributes its Statement of Water Deliveries; or,
- 3:00 p.m. on the sixth (6) business day of the month, whichever occurs first.

Certification forms submitted after the deadline described above will be processed for inclusion on a later monthly water sales invoice. Certification forms are due no later than two months after the end of a delivery month. Certification forms submitted after this period will be ineligible to receive the PSAWR rate.

Annual Reporting

The Water Authority will conduct fiscal year-end PSAWR Program processes that include:

- Annual Assessment
- Annual Reconciliation
- Annual Eligibility Reverification

The annual assessment process is intended to: 1) ensure accurate computation of certified monthly PSAWR Program water deliveries; 2) pass-through any identified PSAWR delivery adjustments to member agencies; and 3) finalize fiscal year-end PSAWR deliveries. Member agencies will provide all necessary back-up data used to
complete their monthly certification forms. An annual assessment shall be conducted at the end of each fiscal year. Additionally, as part of the annual assessment, Water Authority staff will conduct a PSAWR customer site visits intended to confirm adherence to PSAWR eligibility criteria. Site visits involve Water Authority staff selecting two PSAWR member agencies and working with these agencies to identify three representative agricultural retail customers from each service area to visit.

To streamline the member agency reporting processes, the annual assessment will be incorporated into the member agency annual reconciliation process that includes verification of other various datasets (such as, water deliveries and water use). Appendix B provides more information on the procedures for the annual assessment.

Member agencies will be expected to perform an eligibility reverification annually, on a fiscal year basis, to ensure compliance to the criteria established by the PSAWR Handbook (see Eligibility Section). This will be accomplished by ensuring that PSAWR Program participants are present on the latest PSAWR Program Eligibility list that the Water Authority will be responsible for updating and providing each year. The PSAWR Program Eligibility list will include the San Diego Regional Board’s General Agricultural Order enrollees and the County of San Diego’s Growers List, Active Certified Producers and Organic Producers list.

**Biennial Reporting**

Every two years, the Water Authority will perform a member agency cost benefit pass-through verification process for PSAWR Program member agencies. The verification process is designed to ensure member agencies make a reasonable effort to pass-through the full PSAWR cost benefits to their retail customers through the agencies’ respective rate structures, fees, and/or charges. Further, the biennial reporting requires member agencies to demonstrate the means and implementation procedures necessary to implement any potential required service limitations. As part of the biennial reporting requirement, member agencies participating in the PSAWR Program will provide the Water Authority with a written statement signed by the member agency’s general manager or water utility department head confirming that the cost benefits and associated service limitations of the PSAWR Program are reasonably allocated by the member agency to its participating agricultural water users through the member agency’s water rates, fees, or charges. The written statement shall include:

- A description of the member agency’s method for allocating the costs benefits and associated service limitations to participating agricultural water users;
- A copy of the member agency’s applicable ordinance, resolution, or schedule of rates, charges, or fees;
- A sample billing statement or statements that demonstrates the differential in rate fees or charges for participating agricultural water users.

The member agency may include additional information demonstrating compliance with this ordinance. An example biennial reporting written statement can be found in Appendix C.

**Entering and Exiting the PSAWR Program**

New eligible customers may sign up to receive the PSAWR Program water rate at any time during non-service limitation periods. Non-service limitations periods are when there are no service limitations imposed to PSAWR
member agencies such as a cutback from Metropolitan or emergency situations. Furthermore, participating customers may opt-out of the PSAWR Program at any time during non-service limitation periods. In other words, PSAWR customers are not allowed to opt-out during a cutback, emergency, shortage periods or when the Water Authority’s Water Shortage Contingency Plan is activated. As part of the compliance obligations, member agencies must have a requirement to ensure service limitations (described below) are allocated to PSAWR participants in the event of supply cutbacks from Metropolitan or emergency situations. When such events occur, the Water Authority will require each participating member agency to meet an established mandatory PSAWR supply reduction level based on all certified program participation for the most recently completed fiscal year in which allocations had not previously occurred. If a PSAWR Program account has opted out, the parcel number associated with that retail meter account will not be allowed to re-enter the PSAWR Program unless the parcel legally changes ownership in an arm’s length commercial transaction verified by the member agency.

If an active PSAWR Program participant’s parcel becomes ineligible for the PSAWR Program during a non-service limitation period by being removed or dropped from one of the four eligible lists maintained by the County or Regional Board, a member agency may appeal the participant’s loss of eligibility provided that the member agency provides written notice and supporting documentation to the Water Authority. Within 30 days of receiving the appeal request from the member agency, the Water Authority shall review the appeal request and provide a written response supporting or opposing reinstatement of the participant’s PSAWR Program eligibility. An appeal request will not be considered if the participant voluntarily requests in writing to opt-out of the PSAWR Program. Any decision of the Water Authority is final.

Allocation Procedures for Supply Shortages

In exchange for the cost benefits associated with the supply rate differential and exemptions from the Storage Charge and SRC, PSAWR member agency customers are subject to higher cutbacks compared to Municipal & Industrial (M&I) customers in the event of a supply allocation from Metropolitan, or other water shortages.

One potential PSAWR supply cutback is tied to Metropolitan's allocation to the Water Authority. To implement the allocation, a PSAWR Program base year is established using the most recently completed fiscal year, for which PSAWR Program data are available, and should represent a period in which allocations did not occur. Once the allocation cutback percentage is established, it is applied to the base year to calculate member agencies’ allocations. Each member agency is responsible for staying within its PSAWR Program allocation regardless of whether the member agency allows customers to leave the PSAWR Program during the allocation.

Supply Rate Differential -Service Limitations

In exchange for receiving the supply rate differential, PSAWR member agency customers will receive a percent reduction in supplies that is equal to the percent reduction in supplies set by Metropolitan under its shortage action. The reduction will be in effect as long as Metropolitan’s shortage action is in effect. For example, a required 10% reduction in supplies from Metropolitan for a period of 18 months would result in a 10% reduction in supplies to PSAWR customers for a period of 18 months. The reduction in PSAWR customer supplies is tied to Metropolitan’s reduction level because PSAWR customers pay just the Metropolitan supply rate and are ineligible to receive the higher level of reliability associated with the Water Authority’s Quantification Settlement
Agreement (QSA) and seawater desalination supplies. M&I customers benefit from the availability of Water Authority QSA and seawater desalination supplies during such a shortage action, effectively reducing the impact of a Metropolitan reduction on M&I customers to a level that is less severe than the reduction experienced by PSAWR Program participants. The PSAWR service limitation is tied to the cost benefit associated with this class of service and subject to modification during the Water Authority’s annual rate setting process. A minimum 5% difference between the Water Authority’s M&I cutback level and PSAWR customers is required to maintain the class of service supply reliability differential.

Storage Charge exemption – Service Limitations.

In addition to the potential MWD shortage reduction described above, in exchange for receiving the storage charge exemption, customers receiving the PSAWR rate forfeit some, and potentially all, of certain designated Water Authority storage supplies, including:

**Emergency storage.** Should Emergency Storage Project (ESP) supplies be utilized, the cutback rate for customers receiving the Water Authority’s agricultural water rate would be twice the rate imposed on Water Authority member agency M&I customers, up to a 90% cutback. Reductions in deliveries that arise from such a cutback would be reallocated to M&I customers. For example, if the regional cutback level is 25%, PSAWR customers would take a 50% cutback, with the water “freed up” for allocation to M&I member agency customers.

**Carryover storage.** Based on the Water Authority’s March 25, 2010 Board action, no Carryover Storage Program (CSP) supplies are available to member agency customers receiving the PSAWR rate. A summary of the methodology used to ensure CSP supplies are delivered solely to M&I customers during a shortage is included in Table 7.

SRC Exemption – Service Limitations.

In exchange for receiving the SRC charge exemption, PSAWR member agency customers forfeit the additional reliability of QSA and seawater desalination supplies.
<table>
<thead>
<tr>
<th>Potential Scenario</th>
<th>Proposed Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan allocating supplies (no Water Authority cutback to member agencies)</td>
<td>Establish PSAWR allocation based on Water Authority cutback from Metropolitan without utilization of CSP supplies</td>
</tr>
<tr>
<td>Water Authority avoids M&amp;I shortage through use of CSP supplies</td>
<td></td>
</tr>
<tr>
<td>Metropolitan and Water Authority are allocating supplies</td>
<td>For M&amp;I customers, establish allocation of CSP supplies</td>
</tr>
<tr>
<td>Water Authority lessens M&amp;I shortage through use of CSP supplies</td>
<td>Agency’s total M&amp;I wholesale allocation equal to supply allocation (Metropolitan and Water Authority supplies) + CSP allocation</td>
</tr>
<tr>
<td></td>
<td>PSAWR allocation based on MWD cutback</td>
</tr>
</tbody>
</table>

*Methodology approved by Board on April 26, 2012.

If the Board were to activate any level in the Water Authority’s Water Shortage Contingency Plan and withdraw CSP supplies to meet M&I demands, PSAWR member agency customers are not allowed to leave the program for the duration the level is implemented or for three years, whichever is a shorter period.

On December 8, 2016, the Water Authority Board approved policy guidelines for managing CSP supplies based on Metropolitan’s cutback levels during both normal and shortage periods. A policy is included in the guidelines that restates the Board’s previous action that no CSP supplies are available to customers receiving the special agricultural class of service.
Water Authority Board Actions

Below are Water Authority Board actions associated with the PSAWR Program:

December 8, 2016

Board action approved Policy Guidelines for Managing CSP Supplies and Revisions to the Stored Water Fund Policy.

November 21, 2019

Board action approved Fiscal Sustainability Task Force Special Agricultural Water Rate recommendation to develop a Permanent Special Agricultural Water Rate (PSAWR) Program.

June 25, 2020

Board action approved Water Authority’s water rates and charges for calendar year 2021 which included a rate category for the PSAWR Program.

September 24, 2020

Board action adopted Ordinance No. 2020-04 to establish the PSAWR Program effective January 1, 2021. The Board also approved a six-month temporary access period for TSAWR Program customers for member agencies to verify their eligibility for the PSAWR Program.

June 24, 2021

Board action approved the Financial Strategy Workgroup recommendation of a two-month extension to the existing six-month temporary access period granted by the Board in September 2020. The Board also adopted Ordinance No. 2021-01, an ordinance that sets Water Authority rates and charges for Calendar Year 2022.
**Frequently Asked Questions**

**What is the minimum planted acreage requirement to be eligible for the PSAWR Program?**

The Water Authority’s PSAWR Program eligibility criteria do not include a minimum planted acreage, but eligibility requirements from San Diego Regional Water Quality Control Board (Regional Board) or County of San Diego programs may have such requirements. However, customers are encouraged to check with their local retail water purveyors regarding their eligibility requirements.

**Are customers who request to receive the PSAWR rate automatically enrolled in PSAWR program if they are on one of the four lists?**

Inclusion on one of the four eligibility lists does not automatically guarantee enrollment in the PSAWR Program. Compliance with additional eligibility requirements adopted by a participating member agency’s governing board is also required.

**How much of the customer’s crop needs to be sold to qualify as a commercial operation?**

A minimum threshold for crop sales is not part of the PSAWR eligibility requirements but, eligibility requirements from Regional Board or County of San Diego programs may have such requirements.

**Will customers be eligible in the event of crop production changes?**

If an agricultural operation is stopped due to unforeseen events such as insect/bug infestation or less sales, so long as water is being used for qualified agricultural purposes, customers will still be eligible.

**Will customers be eligible in the event of property meter changes?**

If a water meter is changed from an agricultural meter to a residential meter, and the property no longer utilizes water for agricultural production, the customer will no longer be eligible to participate in the PSAWR Program.

**If a customer splits their lot and sells one lot to a new owner, can both continue to participate in the PSAWR Program?**

Both lots may participate but will do so as two distinct participants. Each lot will need to meet the eligibility requirements and complete the required enrollment form(s) to participate in the program.

**Where can forms related to the PSAWR Program be found?**

Member agencies are responsible for the administration of the PSAWR Program at the customer level and will provide the necessary forms for enrollment.
How do customers get on one of the four eligibility lists?
The eligibility lists are not administered by the Water Authority, but rather by the County of San Diego Agricultural Weights and Measures (AWM) Department and the San Diego Regional Board. Below are links to information on how to get on one of the four eligibility lists:

- **Growers List:** [https://www.sandiegocounty.gov/content/sdc/awm/pesticides.html](https://www.sandiegocounty.gov/content/sdc/awm/pesticides.html)
- **General Agricultural Order List:**
  [https://www.waterboards.ca.gov/sandiego/water_issues/programs/commercial_agriculture/](https://www.waterboards.ca.gov/sandiego/water_issues/programs/commercial_agriculture/)
- **Certified Producers List:**
  [https://www.sandiegocounty.gov/content/dam/sdc/awm/docs/2021CPCApp.pdf](https://www.sandiegocounty.gov/content/dam/sdc/awm/docs/2021CPCApp.pdf)
- **Organics List:**
  [https://www.waterboards.ca.gov/sandiego/water_issues/programs/commercial_agriculture/](https://www.waterboards.ca.gov/sandiego/water_issues/programs/commercial_agriculture/)

Additionally, the contacts for the County of San Diego AWM Department and the San Diego Regional Board are as follows: Jason Dumond (jason.dumond@waterboards.ca.gov) and Gemma Bilog (gemma.bilog@sdcounty.ca.gov).

**Is a State of California Private Applicator Certificate an applicable form for eligibility?**
The private applicator certificate allows individuals to use or supervise the use of a pesticide for the purpose of producing an agricultural commodity. It does not document their growing location; therefore, it is not an applicable form to determine eligibility.

**Where is information on the County of San Diego’s Growers List?**
The Growers List is an inventory of growers that have an active pesticide operator identification number which is issued by the County of San Diego AWM Department. This list may also be called the “Pesticide Operator Identification Number List.” For more information visit: [https://www.sandiegocounty.gov/content/sdc/awm/pesticides.html](https://www.sandiegocounty.gov/content/sdc/awm/pesticides.html) and read the section under “Operator Identification Number.”
APPENDIX A
Sample Certification Form
**I. Water Production & Sales:**

- (1) Full service purchased from County Water Authority (Net Deliveries) = 1,936.7
- (2) Change in water system storage (+ for withdrawals, - for storage) = 0.0
- (3) Total full service supply to system = (1) + (2) = 1,936.7
- (4) Local production of other sources = 0.0
- (5) Total water supplied to system = (3) + (4) = 1,936.7
- (6) Total sales = 1,717.7

**II. Water Used for Agricultural Purposes (Complete for SAWR accounts only):**

- (7) Agricultural use only = 597.3
- (8) Agriculture with incidental domestic use

<table>
<thead>
<tr>
<th>Metered Quantity</th>
<th>No. of Single Family Dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>502.9</td>
<td>796</td>
</tr>
</tbody>
</table>

- (9) Total agricultural use = (7) + (8) = 1,060.4
- (10) PSAWR water used for agriculture = (9) * [(3) / (5)] = 1,060.4

**III. Gain, Loss and Differences Due to Timing of Meter Readings Calculation:**

- (11) Total gains/losses & timing differences (losses are negative) = (6) - (5) = 219.0
- (12) Agricultural gains/losses & timing differences = (9) * [(11) / (6)] = 135.2
- (13) Gains/losses & timing differences = (12) * [(3) / (5)] = 135.2

**IV. Total Agricultural Credit:**

- (14) Total agricultural credit (losses increase, gains decrease credit) = (10) - (13) = 1,195.6
- (15) Qualifying credit = Lesser of (3) or (14) = 1,195.6

**V. Signature:**

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*1 The single-family residential use factor (0.05 acre-feet/month) is based on data collected in Summer 2020 from four large agricultural member agencies. These agencies accounted for 45 percent of the water used under the special agricultural water rate program in effect at that time.*
APPENDIX B
PSAWR Annual Assessment Procedures
PSAWR Annual Assessment Procedures

Background
The purpose of this document is to provide information on the procedures and member agency data collection required for the Water Authority's annual assessment of the Permanent Special Agricultural Water Rate (PSAWR) program.

An annual assessment for the PSAWR program shall be conducted at the end of each fiscal year and coincide, approximately, with efforts to complete the annual reconciliation process performed each year between the Water Authority and member agencies on total deliveries and water use. Linking PSAWR assessment with the annual reconciliation will streamline member agency reporting requirements.

The objective of the PSAWR annual assessment is to confirm agencies' computations and source documents. Monthly back-up documentation obtained from agencies is used to verify line-item calculations listed on each agency's monthly PSAWR certifications.

Any reconciled variances of five (5) acre-feet or more for any line item on the PSAWR certification form relating to a calculated credit (Appendix A) shall require a revision for that month. Any variance smaller than five acre-feet shall be noted, and may not be adjusted, based on immateriality.

Data Collection
In addition to the standard annual reconciliation data, the Water Authority shall request back-up operational data from those agencies participating in the PSAWR program at the end of each fiscal year. This operational data shall include the following data sets for each month of the assessment period:

1. Total monthly retail sales report (to validate Line 6 of the PSAWR certification form)
2. For PSAWR accounts only, total monthly retail sales to dedicated agriculture meters and total monthly retail sales to agriculture-with-incidental-domestic-use meters (to validate Lines 7 and 8 of the PSAWR certification form).

Site Visits
As part of the annual assessment, the Water Authority will select a subset of participating PSAWR member agencies to conduct site visits. Water Authority staff will then work with member agency staff to coordinate selection of a sample set of PSAWR customer accounts for annual site visits. Selection of potential PSAWR accounts shall be done through random sampling of a cross-
section of large and small scale growers and include a minimum of three (3) sample accounts per agency. Additional documentation for selected accounts may be required (such as verification of acreage in production or retail customer PSAWR enrollment documentation).

Site visits would be closely coordinated with the member agency staff and would be conducted on the identified accounts to confirm compliance with the PSAWR participation requirements after review of the PSAWR assessment documentation.

**Final PSAWR Deliveries**
Once the certification review process is complete and all revisions are confirmed with member agency staff, the Water Authority will send a final reconciliation letter to each participating PSAWR agency that will attest to the final certified volume for each month of the fiscal year. The letter shall include a summary explanation of any revisions, together with tables showing initial and final monthly PSAWR delivery volumes for the assessment period.

**Annual Assessment Timeline**
To facilitate timely completion of the assessment process, the Water Authority has established the following approximate timeline to implement the PSAWR annual assessment on a fiscal year basis:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target completion month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data request for supporting PSAWR documentation</td>
<td>August</td>
</tr>
<tr>
<td>PSAWR data request due date</td>
<td>September</td>
</tr>
<tr>
<td>PSAWR site visits</td>
<td>December</td>
</tr>
<tr>
<td>PSAWR certification assessment</td>
<td>December</td>
</tr>
<tr>
<td>Final PSAWR assessment letter</td>
<td>December</td>
</tr>
</tbody>
</table>

**Program Contact**
Goldy Herbon, Senior Water Resources Specialist  
Email: gherbon@sdcwa.org  
Phone Number: (858) 522-6767
APPENDIX C
Example Biennial Statement of Verification
[SAMPLE WRITTEN STATEMENT]

[Date]

Melinda Nelson
Clerk of the Board
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Dear Ms. Nelson,

Per San Diego County Water Authority Ordinance No. 2020-04, this letter serves as a written statement confirming that [AGENCY] is reasonably allocating the cost benefits of the Water Authority’s Permanent Special Agricultural Water Rate (PSAWR) to its participating agricultural water users through [AGENCY’S] water rates and charges. The cost benefits allocated by [AGENCY] include the supply rate differential provided by the Water Authority along with the cost benefits associated with PSAWR deliveries not being included in the calculation of [AGENCY’S] proportional share of the Water Authority’s fixed storage and supply reliability charges. This letter also serves as written statement that [AGENCY] has a method in place to pass through the PSAWR service limitations, imposed on [AGENCY] by the Water Authority to its participating agricultural water users.

Pursuant to Ordinance No. 2020-XX, the following attached documentation demonstrates compliance with the ordinance:

[THE TYPE OF DOCUMENTS TO BE SUBMITTED INCLUDE: THE WATER AUTHORITY’S SUMMARY COMPLIANCE FORM; CURRENT ADOPTED RATE SCHEDULE DEMONSTRATING COST BENEFIT; SAMPLE CUSTOMER BILLING STATEMENT DEMONSTRATING RATE DIFFERENTIAL FOR TSAWR CUSTOMERS; AND COPY OF RESOLUTION OR AGRICULTURAL REDUCTION PLAN SECTION DOCUMENTING HOW PSAWR SERVICE LIMITATIONS ARE IMPOSED. REFER TO ORDINANCE 2020-XX OR COMPLETE LIST OF POTENTIAL DOCUMENTS THAT CAN BE SUBMITTED]

Please contact ______ at ___________ should you have any questions or need additional information.

Sincerely,
[General Manager or Water Utility Department Head]
Attachments
APPENDIX D

PSAWR Program Enrollment Form
PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR) PROGRAM
ENROLLMENT FORM

To participate in the PSAWR Program as established by the San Diego County Water Authority and administered by [INSERT MEMBER AGENCY], the Owner shall be required to provide the information, consent, certification, and acknowledgement as indicated on this form. Failure to complete all sections and/or provide requested documentation may result in ineligibility for the PSAWR Program.

OWNER/AUTHORIZED AGENT’S BILLING INFORMATION:

Account Number: ________________________ □ Single Meter – Agricultural Use Only
Owner Name: ___________________________ □ Single Meter – Agricultural/Residential (share)
Operator/Agent (If applicable)____________________________________________________________
Service Address:_______________________________________________________________________
Owner’s Mailing Address (If different than above)____________________________________________
Owner/Agent’s Phone Number ___________________ Owner/Agent’s Email ___________________________

SECTION 1 – QUALIFICATIONS FOR PROGRAM (Required):
In accordance with the San Diego County Water Authority PSAWR Program policies and procedures, [INSERT MEMBER AGENCY] and Owner acknowledge that to participate in the PSAWR Program, agricultural customers must:

“Grow or raise – for commercial purposes – products of an agricultural, horticultural, or floricultural nature.”

SECTION 2 – PROPERTY INFORMATION (Required Information to be provided by Owner regarding the real property covered by the PSAWR Program for Calendar Year 2022):

<table>
<thead>
<tr>
<th>Assessor’s Parcel Number (APN)</th>
<th>Acreage of Parcel</th>
<th>Acreage Planted &amp; Irrigated</th>
<th>Is there a residence on the Parcel</th>
<th>Type of crop</th>
<th>Number of trees</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAMPLE...125-125-10</td>
<td>......10</td>
<td>......4</td>
<td>......YES</td>
<td>......Avocados</td>
<td>......400</td>
</tr>
</tbody>
</table>

SECTION 3 – VERIFICATION OF COMMERCIAL AGRICULTURAL SALES (Required):
Concurrent with the completion of this Enrollment Form, [INSERT MEMBER AGENCY] will determine if the Commercial Agricultural Operation is included on one of the following lists (ONLY 1 REQUIRED): Grower’s List, Active Certified Producer’s, Organic Producers and Regional Board General Agricultural Order Enrollment List.

SECTION 4 – CONSENT TO PARTICIPATE (Required):
Having been fully informed of the policies and procedures of the PSAWR Program, I, <Owner/Agent’s Name>, consent to participate in the PSAWR Program and adhere to the PSAWR Program policies and procedures.
SECTION 5 – CERTIFICATION AND ACKNOWLEDGMENT (Required):

I hereby certify that:

- I am the owner, or authorized agent of the owner, of the above referenced property
- The information provided herein is true and correct
- Water purchased under the PSAWR Program will be used for agricultural purposes in accordance with the policies and procedures of the San Diego County Water Authority contained in the PSAWR Program Handbook

I hereby acknowledge that:

- Water received under the PSAWR Program is a non-firm, interruptible supply, subject to early and accelerated mandatory supply reduction (compared to non-PSAWR Program customers), which is based upon water supply conditions as determined by the San Diego County Water Authority.
- Water use under the PSAWR Program is subject to periodic audit, and I agree to respond in a timely manner to requests for information and access to properties.
- Failure to provide reasonable response and access for audit will result in automatic termination of the PSAWR Program water rate.
- I will not be allowed to opt out of the PSAWR Program during or under substantial threat of a mandatory water supply reduction provided for by the Program.
- Water purchased under the PSAWR Program but done so on the basis of incorrect information supplied by the applicant, or water utilized for uses other than agricultural purposes as defined by the San Diego County Water Authority, may result in the assessment by [INSERT MEMBER AGENCY] of water rates, penalties and charges as required by the San Diego County Water Authority, which I hereby agree to pay.

For [INSERT MEMBER AGENCY] to complete:

This property qualifies under one of the following:
- □ Grower’s List
- □ Active Certified Producers
- □ Organic Producers
- □ Agricultural Order Enrollment List

□ This property does not qualify.
Note Reason:

Backflow requirements met (IF APPLICABLE): Yes ___ No ___.

Comments___________________________________________________