

Permanent Special Agricultural Water Rate Program Handbook



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SECTION 1: INTRODUCTION

1.1 Permanent Special Agricultural Water Rate (PSAWR) Program

The San Diego County Water Authority’s (Water Authority) Permanent Special Agricultural Water Rate (PSAWR) Program offers a separate water rate to eligible commercial agricultural customers within its service area. Participating Water Authority member agencies pass-through the PSAWR Program rate benefit to their eligible customers in exchange for a lower level of water service during water shortages or emergencies. PSAWR Program customers are exempt from paying the portion of storage charges associated with carryover and emergency storage levels (see section 3.1.2). However, they have access to and will benefit from the use of the Water Authority’s operational storage. PSAWR Program customers are also exempt from paying Water Authority charges that fund programs that provide greater water supply reliability during shortages or emergencies. A detailed description is provided in Section 3.1.

The PSAWR Program class of service is implemented at the San Diego County Water Authority Board of Director’s (Board’s) discretion – with the PSAWR Program 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.

1.2 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) 2026.

SECTION 2: 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. Additionally, member agencies are 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 provides a PSAWR Program Eligibility List annually which aggregates all operators from the four eligibility lists - with their respective Assessor Parcel Numbers (APNs) and associated Water Authority member agency. The Water Authority is responsible for updating and distributing the PSAWR Program Eligibility List on a yearly basis for member agencies’ eligibility reverification process. Dates and details associated with the yearly eligibility reverification process are shown in Appendix F.

2.1 Eligibility List

Member agencies are responsible for confirmation of eligibility through enrollment in one of the eligibility lists (administered by the San Diego Regional Water Quality Control Board or County of San Diego) shown below.

2.1.1 San Diego Regional Water Quality Control 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 (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.

2.1.2 Growers List

The Grower’s 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.

2.1.3 Active Certified Producers List

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.

2.1.4 Organic Producers List

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.

2.2 Confirmation of Eligibility

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 participating member agencies’ governing boards 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 there are customers that were previously enrolled in the PSAWR Program, but are absent from the current year’s eligibility lists, it is the member agencies’ responsibility to determine the customers’ final eligibility status. 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. Upon completion of the customers’ eligibility verifications, member agencies will be required to fill out and return a signed copy of the PSAWR Confirmation Form (Appendix F)

PSAWR Program customers are also subject to potential site visits in order to visually inspect and affirm that the operation is producing commercial goods of an agricultural, horticultural, or floricultural nature.

2.3 Enrollment

All PSAWR Program participants must complete a PSAWR Program Enrollment Form (Appendix E) 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, signing, and submitting the PSAWR Program Enrollment Form, which includes a written consent clause, to the member agency. Member agencies will be required to verify that an enrollment form was received for each PSAWR Program customer as part of the yearly eligibility verification process.

SECTION 3: MEMBER AGENCY COST BENEFITS

3.1 Water Rate Components

The cost benefits that are accrued to member agencies participating in the PSAWR Program consist of the Water Authority's rates and charges which are listed in sections below.

3.1.1 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 2026 is \$506/AF.

3.1.2 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). Beginning in CY 2026, PSAWR Program customers will be assessed the portion of the Water Authority's Storage Charge associated with operational storage. Operational capacity represents 59% of the total available storage – and thus, PSAWR use will be weighted at 59% of M&I storage use.

3.1.3 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.

3.2 Cost Benefits Calculation

The cost benefits, as currently defined, are subject to change based on an annual rate-setting analysis performed by the Water Authority. In June 2025, the Water Authority's Board of Directors adopted Ordinance No. 2025-03, which directed staff to allocate the proportional percentage of the operational storage charge to PSAWR Program customers (59% of the CY 2026 Storage Charge) based on a seven-year rolling average methodology, where fiscal year (FY) 2024 marks the first year PSAWR demand data are incorporated. Exempt from the Water Authority's Storage Charge (ESP and CSP portion only) and SRC, PSAWR Program deliveries are not included in member agencies' seven-year rolling-averages of deliveries that 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. For CY 2026, the estimated regional cost benefit, including all three components listed above, is \$745/AF. As the storage and reliability charge exemptions will vary by member agency, a sample method to calculate a member agency's PSAWR Program cost benefit is included in Appendix B.

SECTION 4: 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.

4.1 PSAWR Rate Component

This PSAWR 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
- Water Authority Melded Treatment Rate
- Proportional percentage of the Water Authority’s Storage Charge associated with operational storage
- Water Authority Transportation Rate
- Water Authority Transportation Fixed Charge
- Water Authority Customer Service Charge

4.2 Costs Breakdown

Table 1 breakdown the costs PSAWR participants are assessed and not assessed.

Table 1. Cost Breakdown

PSAWR Customer Assessed	PSAWR Customer Not Assessed
Metropolitan Full-Service Tier 1 Untreated Supply Rate ¹	Water Authority Melded Supply Rate ¹
Melded Treatment Rate	Supply Reliability Charge
Storage Charge associated with operational storage (59% of total Storage Charge for CY 2026)	Storage Charge associated with carryover and emergency storage (41% of total Storage Charge for CY 2026)
Transportation Rate	Any additional costs collected through other rates and charges associated with the Regional Conveyance Project
Transportation Fixed Charge	
Customer Service Charge	
Infrastructure Access Charge	

¹ Components are subject to change based on Metropolitan rate updates

SECTION 5: ADMINISTRATIVE DUTIES

5.1 Water Authority Responsibility

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

5.2 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.

SECTION 6: REPORTING PROCESS

6.1 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 Program agricultural water demands. All certification form values will be rounded to the nearest tenth of an acre-foot (0.1 AF).

In October 2022, the Water Authority Board approved the Financial Strategy Workgroup recommendation to implement, effective January 1, 2023, a bifurcated local supply adjustment to enable PSAWR Program participating member agencies the ability to prescribe how their local supply is allocated under the program (Line 4 of the monthly certification form). The Water Authority has amended the certification form to reflect the approved changes to the PSAWR program certification process. Appendix A contains the revised certification form showing required information and contains definitions for each line of the certification form.

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. 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 to the reporting member agency. 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.

6.2 Annual Reporting

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

- Annual Assessment and Site Visits
- Annual Reconciliation
- Annual Eligibility Reverification

The annual assessment process is intended to:

- Ensure accurate computation of certified monthly PSAWR Program water deliveries;
- Pass-through any identified PSAWR delivery adjustments to member agencies; and
- 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 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 C provides more information on the procedures for the annual assessment.

Member agencies will be expected to perform an eligibility reverification annually to ensure compliance to the criteria established by the PSAWR Handbook (see Eligibility Section). This will be accomplished by confirming PSAWR Program participants are present on the latest PSAWR Program Eligibility list prepared by the Water Authority and provided 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.

6.3 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 member 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 PSAWR Program customers through the member agency's water rates, fees, or charges.

6.3.1 Written Statement

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.

Member agencies may include additional information demonstrating compliance with this ordinance. An example biennial reporting written statement can be found in Appendix D.

6.4 Five-Year PSAWR Program Review

In November 2019, the Water Authority Board unanimously approved the Fiscal Sustainability Task Force (FSTF) recommendation to approve a permanent agricultural water rate and directed staff to develop PSAWR Program policies and procedures, with the caveat to reevaluate the PSAWR Program in five years to review the financial viability of the program. In September 2020, the Board approved Ordinance No. 2020-04, which established the policies and procedures of the PSAWR program, including the five-year review conducted in CY 2025.

As part of the five-year review, Water Authority staff coordinated with PSAWR member agencies and the San Diego County Farm Bureau to evaluate options for maintaining the PSAWR Program cost benefits in a manner that is financially sustainable and consistent with current PSAWR demands. In November 2025, the Water Authority's Board adopted a multi-year PSAWR funding program that provides continued cost-based savings coupled with supplemental funding to ensure rate predictability and affordability to the agriculture sector. This includes the operational storage component added to the PSAWR rate in CY 2026 (adopted by the Board in June 2025) and a potential melded agricultural rate included in CY 2027, which will be presented to the Board for consideration as part of the CY 2027 rate setting process.

SECTION 7: ENTERING/ 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 Program member agencies (such as, a cutback from Metropolitan or emergency events, shortage periods or when the Water Authority's Water Shortage Contingency Plan is activated). Furthermore, participating customers may opt-out of the PSAWR Program at any time during non-service limitation periods. As part of the compliance obligations, member agencies must have a requirement to ensure service limitations (described below) are allocated to PSAWR Program 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 Program supply reduction level based on total PSAWR Program deliveries for the most recently completed fiscal year in which allocations had not previously occurred.

If a PSAWR Program account opts 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 requests in writing to opt-out of the PSAWR Program. Any decision of the Water Authority is final.

SECTION 8: PROCEDURES FOR SUPPLY SHORTAGES

8.1 Supply Allocation

In exchange for the cost benefits associated with the supply rate differential and exemptions from the Storage Charge (CSP and ESP) 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 Program supply cutback scenario is tied to Metropolitan's allocation to the Water Authority. To implement the Metropolitan 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 Metropolitan's allocation cutback percentage is established, it is applied to the base year PSAWR demands 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.

8.2 Service Limitations

8.2.1 Supply Rate Differential

In exchange for receiving the supply rate differential, PSAWR Program member agency customers receive a percent reduction in supplies that is equal to the percent reduction in supplies set by Metropolitan under its shortage action. The reduction remains 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 Program customers for a period of 18 months.

The reduction in PSAWR Program customer supplies is tied to Metropolitan's reduction level because PSAWR Program 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 Program 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 supply cutback level and PSAWR Program customers is required to maintain the class of service supply reliability differential.

8.2.2 Storage Charge Exemption

In addition to the potential Metropolitan shortage reduction described above, in exchange for receiving the storage charge exemption, customers receiving the PSAWR Program 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 Program 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 Program 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 2.

8.2.3 SRC Exemption

In exchange for receiving the SRC charge exemption, PSAWR Program member agency customers forfeit the additional reliability of QSA and seawater desalination supplies. CSP Supplies are Allocated Solely to M&I Customers. A summary of methodology to ensure CSP supplies is shown in Table 2.

Table 2. Summary of Methodology to Ensure Carryover Storage Program¹

Potential Scenario	Proposed Method
Metropolitan allocating supplies (no Water Authority cutback to member agencies)	Establish PSAWR Program allocation based on Water Authority cutback from Metropolitan without utilization of CSP supplies
Water Authority avoids M&I shortage through use of CSP supplies	For M&I customers, establish allocation of CSP supplies
Metropolitan and Water Authority are allocating supplies	Agency’s total M&I wholesale allocation equal to supply allocation (Metropolitan and Water Authority supplies) + CSP allocation
Water Authority lessens M&I shortage through use of CSP supplies	PSAWR Program allocation based on MWD cutback

¹Methodology 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 Program 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 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.

SECTION 9: 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.

[October 27, 2022](#)

Board action approved the Financial Strategy Workgroup recommendation to implement, effective January 1, 2023, a bifurcated local supply adjustment to enable PSAWR participating agencies the ability to prescribe how their local supply is allocated under the program.

[June 26, 2025](#)

Board action adopted Ordinance No. 2025-03, to implement, effective January 1, 2026, a PSAWR supply rate that allocates a proportionate percentage of the operational storage charge to PSAWR program customers.

[November 20, 2025](#)

Board action to adopt a multi-year PSAWR funding program and direct staff to implement a cost-based discount and supplemental funding for the PSAWR program when developing the CY 2027 Rates & Charges.

SECTION 10: 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 member agencies required to report local supplies on the monthly PSAWR Program certification form?

At the October 2022 Board of Director's meeting, the Board approved the Financial Strategy Workgroup recommendation to implement, effective January 1, 2023, a bifurcated local supply adjustment to enable PSAWR Program participating agencies the ability to prescribe how their local supply is allocated under the program. Additionally, local supplies that cannot be delivered to PSAWR Program customers should be excluded from Line 4 of the PSAWR Program certification forms (see Appendix A). Any local supply volumes that are excluded from Line 4 should also be subtracted from Total Sales on Line 6.

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

No, 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. Customers must also submit a completed and signed PSAWR Program Enrollment Form (Appendix E) to their water service provider in order to be officially enrolled in the program and prior to receiving the PSAWR Program water rate.

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 Program eligibility requirements but, eligibility requirements from Regional Board or County of San Diego programs may have such requirements.

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>

General Agricultural Order List:

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>

Organics List:

<https://www.sandiegocounty.gov/content/sdc/awm/organic.html>

Additionally, the contacts for the San Diego Regional Board and the County of San Diego AWM, respectively, are as follows: Kaylee Popovich (Kaylee.Popovich@Waterboards.ca.gov) and Gemma Bilog (gemma.bilog@sdcounty.ca.gov).

Who is responsible for maintaining PSAWR Program customer eligibility through enrollment on either the Regional Board or the County of San Diego's lists?

Retail customers are responsible for remaining active on either the Regional Board or the County of San Diego's lists.

If an agricultural operation donates but does not sell their produce, are they eligible for the PSAWR program?

No, agricultural customers must grow or raise, for commercial purposes (for profit), products of an agricultural, horticultural, or floricultural nature. Customers that only donate their products are not eligible for the PSAWR program.

Are cannabis growers eligible to participate in the PSAWR Program?

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. Additionally, customers must be enrolled in one of the four eligibility lists outlined in the “Eligibility” section on Pages 4-5 of the Handbook. If a customer meets those requirements, they are eligible for the PSAWR Program.

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 commercial agricultural purposes, customers are still eligible for the PSAWR Program.

Will customers be eligible in the event of a change in meter account classification?

If a water meter classification is changed from an agricultural meter to a residential meter, and the property no longer utilizes water for commercial 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) prior to participation in the PSAWR 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.

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 PSAWR Program 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> and read the section under "Operator Identification Number."

APPENDICES

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Appendix B: Sample Member Agency PSAWR Program Cost Benefit Calculation

Appendix C: PSAWR Annual Assessment Procedures

Appendix D: Example Biennial Statement of Verification

Appendix E: PSAWR Program Enrollment Form

Appendix F: Annual Eligibility



APPENDIX A: Sample Certification Form and Instructions

CERTIFICATION FORM PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR) PROGRAM CALENDAR YEAR 2026 (Figures in AF and rounded to nearest 0.1 AF)			
Member Agency:	Sample Agency	Certification Month/Year:	September-22
I. Water Production & Sales:			
(1) Full service purchased from San Diego County Water Authority (Net Deliveries)			621.5
(2) Change in water system storage (+ for withdrawals, - for imported water deliveries into storage)			(55.0)
(3) Total full service supply to system		(1) + (2) =	566.5
(4) Local production of other sources ¹			210.4
(5) Total water supplied to system		(3) + (4) =	776.9
(6) Total sales (excluding local supplies not included in Line 4)			618.1
II. Water Used for Agricultural Purposes (Complete for PSAWR accounts only):			
(7) Agricultural use only			77.3
(8) Agriculture with incidental domestic use ²			
Metered Quantity in Acre-Feet	No. of Single Family Dwellings	Metered Quantity - (No. of Single Family Dwellings * .05) =	
156.1	53.0		153.5
(9) Total agricultural use		(7) + (8) =	230.8
(10) PSAWR water used for agriculture		(9) * [(3) / (5)] =	168.3
III. Gain, Loss and Differences Due to Timing of Meter Readings Calculation:			
(11) Total gains/losses & timing differences (losses are negative)		(6) - (5) =	(158.8)
(12) Agricultural gains/losses & timing differences		(9) * [(11) / (8)] =	(50.3)
(13) Gains/losses & timing differences		(12) * [(3) / (5)] =	(43.2)
IV. Total PSAWR Water Volume:			
(14) Total PSAWR Volume (losses increase, gains decrease volume)		(10) - (13) =	211.5
(15) Qualifying PSAWR Volume (imported delivery check)		Lesser of (3) or (14) =	211.5
V. Signature:			
Member Agency	Name	Title	Date

¹ Effective January 1, 2023, Member Agencies may exclude some or all local supplies from PSAWR credit calculation (Line 4). For local supplies that are excluded, remove those volumes from total sales (Line 6) as well. Additionally, for any local supplies that do not reach agricultural customers, do not include those volumes in Line 4 and remove from Line 6.

² 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 that account for 45% of the volume receiving the Water Authority's agricultural water rate.

Certification Form Description and Instructions

I. 1. Water Production and Sales

Line 1 – Enter full service purchased from Water Authority (imported), excluding supplemental deliveries such as San Luis Rey supplies etc.

Line 2 – Enter imported water storage volume. If imported water is withdrawn from reservoir(s), then value is positive (+) and if imported water is placed into reservoir(s), then the value is negative (-).

Line 3 – Automatically calculates net imported water supplied to member agency distribution system.

$$\text{Line 3} = \text{Line 1} + \text{Line 2}$$

Line 4 – Enter member agency local supply produced. Member agencies may choose which local supplies to include. For any local supplies that an agency does not want to be included in the PSAWR volume calculation, or any local supplies that cannot reach PSAWR customers, exclude from Line 4.

Line 5 – Auto calculates total water supply (imported and local) to distribution system

$$\text{Line 5} = \text{Line 3} + \text{Line 4}$$

Line 6 – Enter total member agency water sales. Any local supplies excluded from Line 4, should also be excluded from total sales as well.

II. 2. Water Used for Agricultural Purposes (for PSAWR accounts only)

Line 7 – Enter water use for meters solely classified for agriculture customers.

Line 8 – Enter meter deliveries for mixed-use meters and number of single-family dwellings with mixed-use meters. Auto calculates estimated agricultural use portion on mixed-use meters providing domestic and agricultural deliveries.

$$\text{Line 8} = \text{Deliveries on Mixed Use Meter} - (\text{Number of Single-Family Dwellings} \times 0.05^*)$$

[Note: *estimated factor for incidental domestic use is 0.05 AF/month/unit]

Line 9 – Auto calculates total agricultural use.

$$\text{Line 9} = \text{Line 7} + \text{Line 8}$$

Line 10 – Auto calculates estimated portion of agricultural water deliveries from imported supply that is eligible for the PSAWR water rate.

$$\text{Line 10} = \text{Line 9} \times \frac{\text{net imported water to system (Line 3)}}{\text{total water supplied to system (Line 5)}}$$

III. 3. Gain, Loss and Differences Due to Timing of Meter Readings Calculation

Line 11 - Auto calculates total gains/losses & timing differences; losses (-) and gains (+).

Line 11 = total sales (Line 6) - total water supplied to system (Line 5)

Line 12 - Auto calculates agricultural portion of gains/losses & timing differences.

Line 12 = Line 9 x $\frac{\text{total gains/losses (Line 11)}}{\text{total sales (Line 6)}}$

Line 13 - Auto calculates PSAWR portion of water gain/losses.

Line 13 = Line 12 x $\frac{\text{net imported water to system (Line 3)}}{\text{total water supplied to system (Line 5)}}$

IV. 4. Total PSAWR Program Water

Line 14 - Auto calculates total PSAWR water deliveries net of gains or losses.

Line 14 = PSAWR water used for agriculture (Line 10) - PSAWR water gain/losses (Line 13)

Line 15 - Auto calculates **qualifying PSAWR volume** based on a limiter of imported supplies.

Line 15 = lesser of total PSAWR water (Line 14) or net imported water to system (Line 3)

APPENDIX B: Sample Method to Calculate Member Agency PSAWR Program Cost Benefit

Serial No.

Storage Charge Exemption

A	Total fixed storage charge allocated to member agency (\$) ¹
B	Carryover & emergency portion of total storage = 41%
C = A x B	PSAWR avoided portion of storage (\$)
D	Member agency projected <u>total</u> purchases from Water Authority (AF)
E = C ÷ D	PSAWR Avoided Unit Cost

Supply Reliability Charge (SRC) Exemption

F	Total fixed SRC charge allocated for member agency (\$) ¹
G	Member agency projected M&I purchases from Water Authority (AF)
H = F ÷ G	PSAWR Avoided Unit Cost

Supply Rate Differential

I	Water Authority Merged Supply Rate ¹
J	PSAWR Supply Rate (Metropolitan Full-Service Volumetric Rate) ¹
K = I - J	PSAWR Avoided Unit Cost

E + H + K	Total Estimated Cost Benefit ² = (Storage + SRC Exemptions) + Supply Rate Differential
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¹Source: Water Authority

²Cost benefit will vary by member agencies

APPENDIX C: Annual Assessment Procedures

C.1 Background

The purpose of this document is to provide information on the annual assessment procedures required under the Water Authority's PSAWR program reporting requirements. The annual assessment is conducted at the end of each fiscal year and coincides with the larger data reconciliation process between the Water Authority and member agencies. Linking the PSAWR program assessment with the annual data reconciliation process is intended to consolidate member agencies' reporting requirements.

The objective of the PSAWR annual assessment is to confirm agencies' computations on their monthly PSAWR certification forms. This is accomplished by collecting back-up documentation from member agencies that is used to verify line-item calculations listed on each agency's monthly PSAWR certifications.

Any reconciled variances of one-tenth (0.1) of an acre-foot or more to the monthly PSAWR certified volume (see Appendix A) shall require a revision for that month.

C.2 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). Line 6 back-up data should exclude any sales of local supplies that are not included in Line 4 of the monthly certification forms. Or, provide total sales and volumes of local supplies excluded from Line 4 for each month.
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).

C.3 Final PSAWR Deliveries

Once the monthly certification review process is completed and all revisions are confirmed with member agency staff, the Water Authority will send a final assessment 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.

C.4 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 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 the selected accounts may be required (such as verification of acreage in production or retail customer PSAWR enrollment documentation).

Site visits are closely coordinated with the member agency staff and conducted to confirm compliance with the PSAWR participation requirements after review of the PSAWR assessment documentation.

C.5 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:

Activity	Target Completion Month
Data request for supporting PSAWR documentation	August
PSAWR data request due date	September
PSAWR site visits	December
PSAWR certification assessment	December
Final PSAWR assessment letter	December

Program Contact

Ryan Jensen, Senior Water Resources Specialist

Email: rjensen@cdcwa.org

Phone Number: (858) 522-6767

APPENDIX D: Example - Biennial Reporting Written Statement

[SAMPLE WRITTEN STATEMENT]

[Date]

Kelly Walker
Clerk of the Board
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Dear Ms. Walker,

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 (carryover and emergency) 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. 2020-04, 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 PSAWR CUSTOMERS; AND COPY OF RESOLUTION OR AGRICULTURAL REDUCTION PLAN SECTION DOCUMENTING HOW PSAWR SERVICE LIMITATIONS ARE IMPOSED. REFER TO ORDINANCE 2020-04 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 E: 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 Board of Directors and administered by {INSERT MEMBER AGENCY}, an Owner/Authorized Agent is required to provide the following information, consent, certification, and acknowledgement as indicated on this form- prior to participation in the PSAWR Program. 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 – 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**):

- San Diego Regional Water Quality Control Board:
 - a. General Agricultural Orders List
- County of San Diego:
 - a. Growers List
 - b. Active Certified Producers List
 - c. Organic Producers List

SECTION 3 – PROPERTY INFORMATION (Required Information to be provided by Owner regarding the real property covered by the PSAWR Program for Calendar Year 2023):

Assessor’s Parcel Number (APN)	Acreage of Parcel	Acreage Planted & Irrigated	Is there a residence on the Parcel	Type of crop	Number of trees
EXAMPLE...125-125-10	...10	...4	...YES	...Avocados	...400

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.

Owner/Agent's Name _____ Title _____
 (Please Print) (Owner/Authorized Agent)

Owner/Agent's Signature _____ Date _____

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.

Owner/Agent's Name _____ Title _____
 (Please Print) (Owner/Authorized Agent)

Owner/Agent's Signature _____ Date _____

For [INSERT MEMBER AGENCY] to complete:	
This property qualifies under one of the following: <input type="checkbox"/> Growers List <input type="checkbox"/> Active Certified Producers List <input type="checkbox"/> Organic Producers List <input type="checkbox"/> Agricultural Order Enrollment List	<input type="checkbox"/> This property does not qualify Note Reason:
Backflow requirements met (IF APPLICABLE): Yes ___ No ___	
Comments:	

APPENDIX F: Annual Eligibility Reverification Process

The following table provides a description of each step in the annual PSAWR retail customer eligibility reverification process, deadlines for each step, and the responsibilities of the Water Authority and member agencies.

Target Date	Action	Responsible Party
September 1st	The Water Authority will coordinate with the regulatory agencies to receive commercial agricultural eligibility lists, conduct post-processing of the data and provide final PSAWR Program eligibility lists to member agencies by September 1 st	Water Authority
October 1st	Member agencies will conduct an initial review of the updated PSAWR eligibility lists to determine if there are existing PSAWR customers absent from the updated lists. Member agencies will provide an update on their retail customer’s eligibility status to the Water Authority by October 1 st	Member Agencies
December 1st	<p>Member agencies will coordinate with their retail customers and regulatory agencies to determine the final PSAWR eligibility status of their customers. The Water Authority will assist in coordination with regulatory agencies only if special circumstances arise.</p> <p>Member agencies will provide a signed Confirmation Form (see page 2) by December 1st that lists PSAWR customers participating in the program for the following calendar year.</p>	Member Agencies/Water Authority
December 31st	Upon completion of the final updated PSAWR eligibility lists, previous PSAWR customers not included on the revised lists, must be removed from the PSAWR Program and no longer receive the PSAWR water rate by December 31 st	Member Agencies

