



Georgia Industry Environmental Coalition

August 19, 2014

Mr. James A. Capp, Chief, Watershed Protection Branch
Georgia Environmental Protection Division
2 Martin Luther King Jr. Drive, Suite 1152 East
Atlanta, Georgia 30334

Via tim.cash@dnr.state.ga.us

SUBJECT: Drought Management Rule – Stakeholder Meeting #2

Dear Mr. Capp:

We are writing on behalf of the Georgia Industry Environmental Coalition (GIEC) concerning the Georgia Environmental Protection Division's (EPD's) unofficial "Stakeholder Draft" (Draft) dated July 3, 2014, for proposed amendments to certain Department of Natural Resources' rules regarding drought management and water withdrawal permits.

GIEC member companies operate industrial facilities throughout Georgia representing a wide spectrum of industrial classifications including paper, chemicals, textiles, utilities, metal products, mining, and more. GIEC member companies employ more than 55,000 people across Georgia.

GIEC recognizes and appreciates EPD's intent to consider industrial water users on a case-by-case basis but we find that the present unofficial Draft is not a good starting point for drought-response rule deliberations, particularly with respect to industrial water users. Instead of working from the present unofficial Draft, GIEC recommends development of a new draft with a stakeholder working group that includes not only permitted public water suppliers and self-supplied industries, but also representatives of the many industrial water customers served by public water systems across Georgia.

Some Georgia industrial facilities are self-supplied water users and operate under their own surface water or groundwater withdrawal permits issued by EPD. In 2005 (the most recent Georgia Water-Use Program report now available from the USGS), self-supplied industrial facilities in Georgia collectively withdrew about 554 MGD or about 10 percent of the total water withdrawals statewide. Georgia industrial facilities that do not self-supply their own water are water customers of local public water systems and are often the largest water user in the public service area and inextricably linked to the local water supply through the public system operation.

We particularly note that the USGS 2010 Georgia Water-Use Program report is expected to be available later this year (2014) and therefore suggest that any further deliberation of drought management rules be temporarily suspended until the 2010 USGS water use report and associated water use trend analysis (1985 through 2010) are available. This 2010 USGS report will provide particularly important water use information given the severe drought of 2007 and any lasting effects on water use of

the voluntary drought response measures and temporary water withdrawal reductions called for by the Governor in 2007.

GIEC is committed to sound environmental stewardship including proven water conservation practices, water recycling, and water reuse technology in industrial operations. In addition to water conservation as an ongoing baseline practice within the industrial sector, GIEC is also mindful of the need for added special attention to water use during severe droughts or local water emergencies. But GIEC believes that mandatory industrial-use drought rules are not needed for industrial operations in Georgia because adequate drought response measures are already available for industries through drought response plans required in all industrial water withdrawal permits, demonstrated voluntary drought-response measures taken by Georgia's industrial operations during the drought of 2007, and powerful market-driven economic forces that are constantly pushing industrial operations to use no more water than necessary to produce competitive goods and services.

Many industrial facilities already run their water-dependent production processes on tight water budgets because it requires extra energy and adds unnecessary operating costs to pump and treat more water and wastewater than is necessary to maintain quality production. Over the past two decades or more, water conservation within the highly competitive industrial sector has become a built-in, market-driven environmental benefit that does not require government regulation to be realized.

Georgia's industrial water conservation progress and success is demonstrated in the 2005 USGS Georgia Water Use Survey report that includes an analysis of Georgia water use trends for the 25-year period from 1980 through 2005. While the population of Georgia grew from 4.2 million in 1980 to 9.1 million in 2005, industrial water use was trending flat to declining during this same high-growth period. Why? According to the USGS trend analysis in their 2005 report, this flat-to-declining trend in Georgia industrial water use was "...**mostly because of improved water efficiency, water recycling, and conservation measures at industrial plants** and changes in the number and type of industrial facilities...".

As a result of steady improvement and success in baseline water conservation practices within the industrial sector, process water demand in some industrial operations has become "hardened" to the point that additional water conservation measures are cost prohibitive and process water use cannot be further reduced, even temporarily, without also threatening production, product quality, or process safety.

Another important point about industrial water use is that the majority of the water used by most industrial operations is treated and returned to surface water in accordance with an EPD discharge permit, thus making the industrial-use return flows further available for instream flow protection and other downstream users. Forced temporary reduction of industrial water withdrawals for the purposes of drought response may also reduce industrial return flows without yielding a significant net

reduction of actual consumptive water use. Any consideration of drought response water use reductions for industrial facilities needs to consider the net difference between water withdrawals and flow returns. It makes little sense for an industrial water user to reduce their surface water withdrawal for drought response if the withdrawal reduction benefit is substantially cancelled by similarly reduced return flows.

Finally, GIEC is concerned that imposing a mandatory drought management rule for industrial water users on top of the existing drought contingency plans already required for all industrial surface water and groundwater withdrawal permits in Georgia would tend to put Georgia at a competitive disadvantage in attracting new or expanding industrial growth and job creation for water-dependent industrial facilities. Such a mandatory drought management rule for industrial water use is not required under Federal law or in the other states typically competing with Georgia for industrial sector job growth.

GIEC does have additional comments and questions regarding details of the unofficial Draft drought management rule that we can discuss if necessary after you have had the opportunity to review and respond to our initial comments and concerns provided here. Some of the additional comments we have regard: How will drought declarations and terminations be deliberated and decided? How would variance procedures apply to industrial facilities served by public water systems? How would drought surcharging be handled for industrial facilities served by public systems? How will the monthly data reported to EPD be used by EPD or other parties?

GIEC is ready to participate if EPD is now willing to develop a new draft with a new stakeholder working group that includes not only permitted public water providers and self-supplied industries, but also includes representatives of the many industrial and commercial water customers served by public water systems across Georgia. Drought response is an important issue for all Georgians; therefore, we recommend that EPD take the necessary time to utilize stakeholders prior to moving forward with formally proposed rules.

Thank you for seeking our input at this stage of EPD's internal deliberations.

Best regards,

GEORGIA INDUSTRY ENVIRONMENTAL COALITION, INC.



Dominic Weatherill
Chair, Water Resources Workgroup



Gregory Jones, CHMM
Chair, Board of Directors