



San Diego County Water Authority

4677 Overland Avenue
San Diego, California 92123

SPECIAL BOARD OF DIRECTORS' MEETING

Board Room

February 13, 2014

1:00 p.m.

1. Call to order.
2. Roll call – Determination of a quorum.
 - A. Report on proxies received.
3. Public comment.
4. Water Shortage and Drought Response Plan.
(Additional memo sent under separate cover.)
 - 4-A Declare Implementation of Stage 1, Voluntary Supply Management, of the Water Authority's Water Shortage and Drought Response Plan.
Staff recommendation: Declare implementation of Stage 1, Voluntary Supply Management, of the Water Authority's Water Shortage and Drought Response Plan. (Action)
 - 4-B Notification to the San Diego County Water Authority Member Agencies of a Regional Drought Response Level 1, Drought Watch condition.
Staff recommendation: Approve notification of a Drought Response Level 1 condition. (Action)
5. Adjournment.

Doria F. Lore
Clerk of the Board

NOTE: All public documents provided to the Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



San Diego County Water Authority

DATE: February 7, 2014

TO: Board Members

FROM: Maureen A. Stapleton, General Manager 

SUBJECT: Special Board of Directors Meeting to Consider Formal Actions regarding the Current Water Supply Conditions in California

As staff reported at the January 23, 2014 Board meeting, critically dry weather in California and its impact on water supply conditions prompted Governor Brown to proclaim a State of Emergency due to drought on January 17, 2014. The Governor directed state officials to take all necessary actions to make water immediately available. The Governor's proclamation also asked all Californians to reduce water consumption and local water suppliers to immediately implement local water shortage contingency plans. Since the January Board meeting, continued low levels of Sierra snowpack prompted the California Department of Water Resources (DWR) to take the unprecedented action of reducing the estimated allocation of State Water Project water from 5% to 0%. Unless conditions improve, this would mean that State Project contractors, like the Metropolitan Water District of Southern California (MWD), would receive no allocation of State Project water.

In recognition of these facts, MWD's Board of Directors will consider adopting a Water Supply Alert Resolution at its February 11, 2014 meeting as a regional call for increased awareness and extraordinary conservation within MWD's service area. MWD anticipates being able to meet its imported water demands this year by supplementing its Colorado River supply with water taken from storage. Actions taken to lower water demands in 2014 would protect stored water and reduce the magnitude of regional supply shortages in later years if drought conditions persist.

Many urban and agricultural areas of California dependent on State Water Project supplies or local surface water or groundwater have been immediately and severely impacted by these conditions. Although the Water Authority's Quantification Settlement Agreement (QSA) Colorado River transfers have ramped up to 180,000 acre-feet, continued dry conditions beyond this year could have significant impacts locally and statewide. Under the Water Authority's Water Shortage and Drought Response Plan, a key indicator of potential shortages is when MWD takes significant amounts of water from storage to meet normal water demands, which they will be doing this year.

Taking into account the Governor's proclamation and the action being considered by the MWD Board, Water Authority staff will recommend at the February 13, 2014 Special Meeting that the Board declare implementation of Stage 1, Voluntary Supply Management under the Water Authority's Water Shortage and Drought Response Plan and notify the member agencies of a Level 1 Drought Watch condition under the Water Authority's Model Drought Response Ordinance.

Although residents and businesses have reduced their per capita water use by more than 25% since the beginning of the last drought in 2007, and Southern California has record levels of stored water, actions can be taken to further reduce water use. Reductions in water use can provide relief for other areas of the state more immediately affected by drought and protect storage reserves for the potential continuation of dry weather into 2015.

A more complete analysis of supply conditions warranting this proposed action and a detailed description of the drought management tools available to the Board and member agencies will be included in a separate Memorandum that will be sent early next week, prior to the Thursday February 13, 2014 Special Board Meeting.



February 10, 2014

Attention: Board of Directors

Declare implementation of Stage 1, Voluntary Supply Management, of the San Diego County Water Authority's Water Shortage and Drought Response Plan and notify the Water Authority member agencies of a Regional Drought Response Level 1, Drought Watch condition (Action)

Staff Recommendation

1. Declare Implementation of Stage 1, Voluntary Supply Management, of the San Diego County Water Authority's Water Shortage and Drought Response Plan; and
2. Approve notification to the Water Authority member agencies of a Regional Drought Response Level 1, Drought Watch condition

Alternative

Do not declare implementation of Stage 1 and do not approve notification of a Level 1 drought response.

Fiscal Impact

There is no fiscal impact associated with the staff recommendation.

Background

California is currently facing unprecedented dry-year conditions statewide. Both water years 2012 and 2013 were dry and current conditions suggest no change for 2014. Calendar year 2013 closed as the driest year on record in many parts of the state. Due to the record dry conditions, key reservoirs are at record low levels for this time of year. The storage level at Lake Oroville, on the State Water Project (SWP), is lower than at this time in 1977, one of the driest years on record.

As reported at the January 23, 2014 Water Planning Committee meeting, Governor Brown proclaimed a state of emergency due to drought on January 14, 2014 and directed state officials to take all necessary actions to make water available. Key measures in the proclamation include: providing technical and financial assistance to communities running out of drinking water; accelerating funding for projects that could break ground this year and enhance water supplies; executing a statewide water conservation campaign; and directing local water suppliers to immediately implement water shortage contingency plans.

Two weeks following the governor's proclamation, results from the Department of Water Resources (DWR) second snow survey on January 30, 2014 showed another dismal start to the new water year (October 1, 2013 through September 30, 2014) with manual and electronic readings recording the snowpack's statewide water content at about 12 percent of average for that time of year. On January 31, 2014, DWR announced several actions to protect California's health and safety from more severe water shortages. This included reducing the anticipated allocation of water to SWP contractors in calendar year 2014 from five percent to zero. Never before in the 54-year history of the SWP has DWR announced a zero allocation. The allocation could be raised should conditions improve, but it is not likely to increase much based on current conditions. Metropolitan does have access to approximately 214,000 acre-feet of SWP carryover water from 2013.

The preliminary reduction of SWP deliveries to zero percent has prompted Metropolitan staff to recommend to its Board of Directors that they adopt a formal water supply alert resolution calling for local agencies to achieve extraordinary conservation by adopting and enforcing drought ordinances and other measures. The Metropolitan Board will consider the recommendation at their February 11, 2014 meeting.

Despite the record dry conditions, the San Diego region is expected to have adequate supplies in 2014. This is due to the fact that the Water Authority and its member agencies have been preparing for supply challenges such as the current drought for more than 20 years with investments in water supply diversification to reduce reliance on SWP supplies. This includes the Water Authority's Colorado River transfers and member agencies local projects, such as water recycling. In addition, continued water use efficiency by residents and businesses has allowed regional demands to remain low, which helps manage dry conditions. Per capita water use has dropped approximately 27% since 2007. Metropolitan also had adequate water reserves, held in reservoirs, groundwater basins and water banking programs. With these reserves, Metropolitan staff stated in their February 11, 2014 Board letter that they expect to fully meet the region's imported water demands in 2014.

At the January 23, 2014, Water Planning Committee meeting, staff provided a tentative schedule of returning to the Committee at their February 27, 2014 regularly scheduled meeting with potential actions to take in response to the dry conditions statewide. Based on DWR's unprecedented action to reduce the SWP allocation to zero for calendar year 2014, increasing the severity of impacts to other regions of the state, a Special Meeting of the Board has been scheduled on February 13, 2014. The Board will consider actions that can be taken to reduce water usage to and preserve stored water in southern California and contribute to assisting those areas of the state harder hit by current drought conditions.

Discussion

The storms over the past week have improved conditions slightly, increasing the snowpack water content levels to 29% of average statewide and 19% of average in the northern Sierra. With last December and January at record low levels of precipitation, DWR has stated that it would need to rain and snow heavily every other day from now until May to get back to average annual rain and snowfall. Even then, DWR states that California would still be in a drought, because normally wet December and January have been critically dry – and follow a record dry 2013 and dry 2012. Reducing water consumption now would protect current water storage levels and better prepare the Water Authority's service area and southern California for the potential of continued dry weather conditions in 2015 and beyond. Areas of the state more immediately and severely impacted by the current and potentially continued drought conditions may also benefit from reduced water consumption in southern California. The Water Authority's role in coordinating the region's response to drought and potential supply shortages is detailed in the Water Shortage and Drought Response Plan last activated in 2007 and deactivated in 2011.

Water Shortage and Drought Response Plan

In May 2006, the Water Authority Board of Directors adopted a Water Shortage and Drought Response Plan (Plan) as a prudent planning measure in the event that the region is faced with potential supply shortages. The Plan provides guidance to the Board on possible regional actions that can be taken to minimize or avoid the impacts due to shortages. The plan takes an orderly, progressive approach to try and minimize economic hardship for residents and businesses in San

Diego County. The three regional stages of the Plan and associated potential actions are shown In Table 1.

<i>POTENTIAL SDCWA DROUGHT ACTIONS</i>	REGIONAL STAGES		
	Voluntary Supply Management	SDCWA Supply Enhancement	Mandatory Cutbacks
Ongoing BMP implementation	X	X	X
Communication strategy	X	X	X
Monitoring supply conditions and storage levels	X	X	X
Call for voluntary conservation	X	X	X
Put and take from SDCWA Carryover Storage	X	X	X
Secure transfer option contracts	X	X	X
Buy phase 1 spot transfers (cost at or below Tier 2 rate)		X	X
Call transfer options		X	X
Buy phase 2 spot transfers (cost at or above Tier 2 rate)		X	X
Implement allocation methodology			X
Utilize ESP Supplies			X

According to the Plan, Stage 1 can be activated when the Metropolitan Water District (Metropolitan) has been experiencing shortages in its imported water supply (from either the Colorado River or the State Water Project, or both) and is withdrawing significant water from multiple storage accounts due to dry conditions or long-term regulatory restrictions to meet normal demands.

In March 2008, the Board approved a Model Drought Response Conservation Program Ordinance (Model Ordinance) for use by member agencies in updating their existing ordinances. The intent of the Model Ordinance was to assist in implementing the Plan and to coordinate member agency drought response on a regional level. The Model Ordinance contains four distinct drought response levels that include water- use restrictions for each level. The severity of restrictions progressively increase with each level as the water supply situation worsens and actions that cause economic harm are deferred to the later response levels. Table 2 contains information on the levels contained in the model ordinance.

Levels	Use Restrictions	Trigger
1: Drought Watch	Voluntary	Applies when there is a probability of shortage and increased demand reductions are required in order to ensure sufficient supplies will be available.
2: Drought Alert	Mandatory (up to 20% cutback)	Applies when there are cutbacks to supplies and increased demand reductions are required in order to ensure sufficient supplies will be available.
3: Drought Critical	Mandatory (up to 30% cutback)	
4: Drought Emergency	Mandatory (up to 40% cutback)	

The Model Ordinance achieves consistency throughout the region, and reduces confusion among the public and media on the current response level and water use restrictions in place to meet demand reductions. All the member agencies updated their ordinances based on the Water Authority’s model, with some slight modifications that primarily pertain to the water-use restrictions. Based on supply conditions, the Water Authority will identify the applicable level and provide notification to the member agencies. It is the responsibility of the member agency to declare the existence of a specific drought response level and take corresponding actions.

To summarize the difference between the two documents, the Plan Stages are associated with regional actions the Water Authority can take based on availability of Water Authority supplies. The Model Ordinance levels are associated with consumer water use restrictions necessary to achieve demand reduction. The correlation between the two is shown in Table 3.

The staff recommendations to declare a Stage 1 of the Water Authority’s Plan and notify member agencies of a regional drought response Level 1, is based on the following:

- Respond to the governor’s call for increased voluntary conservation and immediate implementation of water shortage contingency plans;
- Assist in managing the potential long-term impacts of California’s water crisis that arose due to unprecedented dry conditions statewide;
- Water savings achieved through increased voluntary conservation will help preserve water reserves that will be critical if conditions continue to be dry;
- Metropolitan will need to withdraw significant amounts of water from multiple storage accounts in 2014 due to dry conditions in order to meet normal demands.

Plan Stage	Potential Drought Response Level	Use Restrictions
Stage 1	Level 1 – Drought Watch	Voluntary
Stage 2	Level 1 – Drought Watch	Voluntary
	Level 2 – Drought Alert	Mandatory
Stage 3	Level 2 - Drought Alert	Mandatory
	Level 3 - Drought Critical	Mandatory
	Level 4 – Drought Emergency	Mandatory

With adequate supplies in 2014 and continued low demand levels, regional actions included in Stage 2, Supply Enhancement, and Stage 3, Mandatory Cutbacks, of the Water Authority’s response Plan are not required at this time to manage the situation. For the same reasons, mandatory water use restrictions found in the Model Ordinance levels 2, 3 and 4, are also not warranted at this time. Consistent with the Plan, staff is closely monitoring conditions and will report to the Board monthly on supply and demand conditions, along with further actions by DWR and Metropolitan.

Prepared by: Dana L. Frieauf, Acting Water Resources Manager
 Reviewed by: Ken Weinberg, Director of Water Resources
 Approved by: Maureen A Stapleton, General Manager