Approval of Shortage Management Actions in Response to MWD Supply Cutbacks and SWRCB Emergency Regulation

May 14, 2015
Special Board Meeting

Presentation by:
Dana Friehauf, Water Resources Manager
Recommended Shortage Management Actions
Presentation Agenda

1. Drought conditions
2. Supply availability
3. State mandated demand reductions
4. Recommended refinements to proposed ordinance
5. Staff recommendation

U.S. Drought Monitor
California
May 5, 2015
Northern Sierra Snowpack
April 1 Snowpack at Record Low

Water Content (in)

1-Oct 1-Nov 1-Dec 1-Jan 1-Feb 1-Mar 1-Apr 1-May 1-Jun 1-Jul 1-Aug 1-Sep

Normal 2014-2015

5% of Normal (April 1, 2015)
Average Water Year Statewide Runoff
Percent of Average (Water Year: Oct 1 – Sept 30)

4th Consecutive Dry-Year 2012-2015

*DWR Apr. 1, 2015 Forecast for Water Year
State Water Project
Lake Oroville Storage

Current Year 48%
Last Year
Record Low

(as of May 11, 2015)
San Luis Reservoir Storage

San Luis Reservoir Storage (as of May 11, 2015)

Current Year 59%

Last Year


Total Reservoir Capacity: 2,041,000 AF

San Diego County Water Authority
Prolonged Colorado River Drought

Colorado River Inflow into Lake Powell
12 of 16 Years Below Normal

Lake Mead Elevation Lowest Since Filling in 1930’s
Temperature Outlook: Above Normal
Supply Availability
Metropolitan Water District

• April 14, 2015 MWD approved Level 3, 15% supply cutback
• Allocation period July 1, 2015 – June 30, 2016
• Water Authority allocation: 314,471 AF
• Penalty for water use in excess of allocation

<table>
<thead>
<tr>
<th>Water Use</th>
<th>Penalty</th>
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<tbody>
<tr>
<td>Between 100% &amp; 115%</td>
<td>$1,480</td>
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<tr>
<td>Greater than 115%</td>
<td>$2,960</td>
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Water Authority Allocation from MWD TSAWR and M&I

<table>
<thead>
<tr>
<th>Total Allocation</th>
<th>314,471 AF</th>
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<tbody>
<tr>
<td>TSAWR Allocation</td>
<td>40,751 AF</td>
</tr>
<tr>
<td>Remaining M&amp;I Supplies</td>
<td>273,720 AF</td>
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- **Calculation of TSAWR Program allocation**
  - Tied to MWD 15% supply cutback
  - FY 2014 Base Period: 47,941 AF
  - TSAWR allocation: 40,751 AF

TSAWR: Transitional Special Agricultural Water Rate
M&I: Municipal and Industrial
Estimated FY 2016 M&I Potable Supply Scenario
MWD WSAP Level 3 - 15% cutback

Estimated FY 2016 Potable M&I Demand ~ 523 TAF *

MWD Allocation
M&I 274 TAF

Water Authority CDP 39 TAF

Long-Term Colorado River Transfers 180 TAF

Local Supplies 25 TAF

~1% Supply Shortfall

* Based on actual FY 2014, escalated at 1/2% per year. Does not take into account SWRCB draft emergency regulation mandate
Recommend Declaring Mandatory Cutback Stage
Water Shortage and Drought Response Plan

- Plan includes regional actions taken to lessen severity of shortage conditions
  - Includes allocation methodology

- Activated February 2014

- Trigger to declare Mandatory Supply Cutback Stage
  - MWD allocating supplies to Water Authority
  - Water Authority required to allocate supplies to its member agencies
Recommend Approving Member Agency
FY 2016 M&I and TSAWR Allocations

- **M&I Allocation**
  - Developed using Drought Response Plan allocation methodology
  - Calculated using 2-year average (FY13 & FY14) base period demand

- **TSAWR Allocation**
  - Cutback 15%, consistent with Board approved program guidelines
  - Calculated using FY14 base period demand

- **Based on member agency reviewed and input**
  - Projected FY16 local supplies provided by agencies
State Water Resources Control Board
Emergency Regulation

- In accordance with Governor’s April 1 Executive Order: 25% water savings mandate statewide

- Establishes individual reduction targets for urban water suppliers
  - Reduce usage compared to 2013

- Compliance measured monthly beginning June 2015, but assessed on cumulative basis

- Agencies can exempt commercial agricultural deliveries, if certain criteria are met
  - Certify commercial agricultural, prepare agricultural water management plan, agency establish a conservation standard

- Remain in effect for 270 days
SWRCB Emergency Regulation
Member Agency Urban Conservation Standard*

*Based on R-GPCD data current as of 4/23/15. Certain data may be under review
Estimated FY 2016 M&I Potable Supply Scenario
MWD WSAP Level 3 - 15% cutback

Estimated FY 2016 Potable M&I Demand ~ 523 TAF *

* Based on actual FY 2014, escalated at 1/2% per year. Does not take into account SWRCB draft emergency regulation mandate.
SWRCB Emergency Regulations
Water Authority Position

• Support increased conservation efforts
• Regulations must include credit for new, drought-proof supply development
  • Supplies added after 2013 should be credited toward agency’s demand reduction target
• SWRCB agreed to form workgroups:
  • Early investments in conservation and drought-proof supply development
  • Refine tiers to reflect climate, lot size, etc.
  • Health and safety considerations
• Water Authority will continue to advocate for new supply credits
Variables Considered in Developing Recommended Shortage Management Actions

- Severity of California’s statewide drought
- Importance of residents and businesses to conserve
- Unprecedented action by Governor to require mandatory conservation statewide
- Member agency conservation standards differ throughout region
  - Difficult to establish regional savings target consistent with model drought response ordinance
- Challenges to achieving state conservation standards
Recommend Assessing Monetary Penalty for Deliveries Exceeding Allocation

- Conduct final accounting of supplies and deliveries to determine agencies exceeding their allocation

- Assess penalty on member agencies exceeding supply allocation (M&I and TSAWR deliveries)
  - If Water Authority exceeds MWD allocation, monies collected passed on to MWD
  - If Water Authority doesn’t exceed MWD allocation, monies augment Water Authority conservation programs
Recommend Assessing Monetary Penalty for Deliveries Exceeding Allocation (cont.)

- Penalty rates consistent with MWD rates approved April 2015

- Remain in effect until June 30, 2016, unless terminated earlier

- In response to severe statewide drought conditions and need to manage local storage supplies

Completed San Vicente Dam Raise
Recommend Requiring Regional Outdoor Water-Use Restriction

- In response to Governor’s call for increased conservation and to help meet state conservation standards
- Member agencies limit outdoor irrigation of ornamental landscapes and turf with potable water to no more than 2-days/week
- Provides a consistent water-use restriction throughout the region to provide more effective messaging
- Coordinate with member agencies on watering days to avoid operational impacts
- Remain in effect until June 30, 2016, unless terminated earlier
Recommend: Direct Staff to Investigate Potential Regional Demand Offset Framework

- Member agencies considering water demand offset programs for new growth

- Potential area where Water Authority could provide assistance and coordination
  - Evaluate basic components of offset policy or framework
  - Provide framework to agencies for their consideration

- Implementation of offset program would be responsibility of individual agencies
Refinements to Ordinance Language to Provide Clarification

- Highlight TSAWR program requirements and supply benefit to M&I from additional carryover supplies

- Emphasize that restrictions do not apply to non-potable water or potable water for non-discretionary purposes, such as industrial process water

- Clarification on 2-day/week watering requirement
  - Provide letter documenting implementation of restriction
  - May exempt areas of significant public benefit
  - Financial penalty ($500/day) replaces “condition of delivery”
In response to supply cutbacks from the Metropolitan Water District in fiscal year 2016 and the State Water Resources Control Board Emergency Regulation for statewide urban water conservation, staff recommends:

1. Declare implementation of the Mandatory Supply Cutback Stage of the Water Authority’s Water Shortage and Drought Response Plan.
2. Approve Ordinance No. ____-2015, including revisions recommend by staff, which contains the following actions:

a. Approve member agency municipal and industrial (M&I) supply allocations for fiscal year 2016;

b. Approve member agency Transitional Special Agricultural Water Rate (TSAWR) supply allocations for fiscal year 2016;
Staff recommendation (cont.)

c. Impose a monetary penalty and authorize the General Manager to assess a monetary penalty on any member agency for deliveries that exceed either individual M&I or TSAWR supply allocations from the Water Authority; and

d. Require member agencies to limit outdoor irrigation of ornamental landscapes and turf with potable water to no more than two days per week.

3. Direct staff to investigate the potential of a regional demand offset framework for drought periods in coordination with the member agencies.
Additional Member Agency Proposal
Revision to Ordinance Language

• Consistent assigned water days per week throughout region

<table>
<thead>
<tr>
<th>Days of the Week</th>
<th>Customer Class</th>
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<tbody>
<tr>
<td>Sunday and Thursday</td>
<td>Single family with odd address</td>
</tr>
<tr>
<td>Saturday and Wednesday</td>
<td>Single family with even address</td>
</tr>
<tr>
<td>Monday and Friday</td>
<td>Multi-family and CII sector</td>
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• Request exemption to minimize facility or operational impacts

• Provides enhanced regional messaging, but could impact operation of facilities