



CITY COUNCIL STAFF REPORT

ITEM NO. 6.2

DATE: September 27, 2021

TO: Honorable Mayor and City Council

FROM: Scott Lanphier, Public Works Director

SUBJECT: Resolution declaring a water shortage emergency; enacting Stage 2 of the water shortage contingency plan at a 15% mandatory level; and implementing Stage 1 water conservation rates.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution declaring a water shortage emergency; enacting Stage 2 of the water shortage contingency plan at a 15% mandatory level; and implementing Stage 1 water conservation rates.

DECISION TYPE

SUMMARY

On May 10, 2021, Governor Gavin Newsom declared a drought state of emergency for Alameda County. On September 1, 2021, the City's treated water wholesale provider, Zone 7, declared a Stage 2 water shortage noting that the State Water Project has dramatically reduced their surface water allocation. The City has an existing Water Shortage Contingency Plan (WSCP) which recommends declaring a Stage 2 water shortage when supply projection is between 10% and 19% below demand projection. The WSCP also recommends implementation of conservation rates to help encourage conservation and protect the financial health of the water utility. Based on these facts, staff is recommending that the City Council adopt a resolution declaring a water shortage emergency; enacting Stage 2 of the water shortage contingency plan at a 15% mandatory level; and implementing Stage 1 water conservation rates effective October 1, 2021.

DISCUSSION

On May 10, 2021, Governor Gavin Newsom declared a drought state of emergency for a number of California's counties including Alameda. On July 8, 2021, the Governor extended the drought declaration to additional counties and called on all Californians to voluntarily reduce their water use by 15% in anticipation of dry conditions next year.

On September 1, 2021, the City's treated water wholesale provider, Zone 7, declared a Stage 2 water shortage noting that the State Water Project has dramatically reduced their surface water allocation. This means there may be periods of time, especially in 2022, where only local water is available, with the majority of that coming from the groundwater basin.

The City has an existing Water Shortage Contingency Plan (WSCP) which recommends declaring a Stage 2 water shortage when supply projection is between 10% and 19% below demand projection. The WSCP also recommends implementation of conservation rates to help encourage conservation and protect the financial health of the water utility. Based on these facts, staff is recommending that the City Council adopt a resolution declaring a Stage 2 water shortage with mandatory water use reductions of 15% and implementing Stage 1 conservation rates effective October 1, 2021.

Stage 1 conservation rates will increase City variable charges by 10%. Stage 2 rates would increase those same variable charges by 20%. Staff recommends that the Council adopt Stage 1 rates at this time since the targeted reduction of 15% is in between the Stage 1 and Stage 2 rates. If conservation exceeds the 15% target, the rates can be revisited at a later time. Under Stage 1 rates, the monthly bill for an average single family home (13 units used per month) that does not reduce water usage would increase by \$1.99 per month, or 2.2%. The reduction of just a single unit of water per month (748 gallons) would negate the rate increase resulting in a bill that is \$2.03 less than the base rate or -2.3%. If adopted by the Council, rates will increase on October 1 and show up on customer bills sent in November.

The City Council adopted a new WSCP in June 2021. Currently, the Livermore Municipal Code (LMC) does not yet fully align with the new WSCP. Staff will bring back an ordinance that will fully align these two sets of regulations later this fall. However, the two major provisions of Stage 1 and Stage 2 of the new WSCP do align with the current LMC. These two provisions are: 1) limiting outdoor irrigation to the hours between 6pm and 9am, and 2) limiting outdoor watering to three days per week on an even/odd address rotation (odd addresses can water on Monday/Wednesday/Friday and even addresses can water on Tuesday/Thursday/Saturday). These two provisions limiting outdoor watering plus the 10% increase in variable rates are all designed to accomplish the 15% mandatory reduction required by this drought emergency.

Zone 7 will continue to monitor and evaluate water supply and demand conditions throughout the current drought. Since Zone 7 is the City's sole provider of potable water, staff recommends that the City adapt its shortage declarations to match any future changes to a shortage declaration by Zone 7.

Staff cannot anticipate how long the current drought might last, but for reference the most recent drought lasted from 2014 through 2017 and shows a history of Council adaptation along the way. During this period, the City Council enacted a Stage 1 water shortage with voluntary restrictions on February 24, 2014, and the then-Acting City Manager escalated to a Stage 2 shortage with mandatory restrictions on April 15, 2014. On April 28th, 2014, the City Council enacted Stage 3 water conservation rates which were reduced to Stage 1 conservation rates on November 24, 2014. On June 29, 2016, the Stage 2 conservation measures were replaced with Stage 1 voluntary measures. Stage 1 conservation measures were ultimately repealed by the City Council on May 23, 2017.

FISCAL AND ADMINISTRATIVE IMPACTS

The declaration of a Stage 2 water shortage will result in an increased amount of staff time dedicated to drought outreach, public education, and, if necessary, enforcement. These duties will be undertaken by existing staff within the Water Resources Division. Staff also anticipates an increase in the volume of phone calls to the Utility Billing section in Finance. Staff has already budgeted for potential drought-related expenditures in the water enterprise fund (fund 250). At this time, staff does not believe that additional funds will be needed. Implementation of conservation rates will result in a small amount of staff time to change the rates in the billing system, but staff does not anticipate any additional costs or staff resources being necessary.

ATTACHMENTS

1. Resolution

Prepared by: Anthony Smith
Water Resources Division Manager

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director