



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 21, 2022

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Adoption Of Resolutions Of Appropriation And Other Actions Relating to Implementing A Stage Two Water Shortage Alert

RECOMMENDATION: That Council:

- A. Receive an update on the City's water supply condition;
- B. Adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Declaring a Stage Two Water Shortage Alert Pursuant To State Water Resources Control Board Resolution No. 2022-0018, Adopting Drought-Related Emergency Regulation For Water Conservation In Response To Executive Order N-7-22, and Repealing Resolution No. 19-021;
- C. Adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara amending Resolution No. 21-045, Adopting the Budget for Fiscal Year 2022, to appropriate Water Operating Fund reserves for the City's water conservation rebate program; and
- D. That Council authorize the Public Works Director to execute a five-year contract with Katz & Associates in the amount of \$200,000 for public outreach and communications for the Water Resources Division.

EXECUTIVE SUMMARY:

Santa Barbara and much of California typically receives the majority of its rainfall between December and April. The most recent rainy season was significantly below average, with local rainfall totals at 63 percent of normal. This year makes the third consecutive year of below average rainfall. Fortunately, prudent water supply management, including activation of the Charles E. Meyer Desalination (desal) plant, and efficient water use community-wide, has positioned the City to be able to meet water demands for at least the next two years, even if extremely dry conditions persist.

Statewide, over 95 percent of the state is classified as experiencing severe or extreme drought conditions. In response, Governor Newsom has issued a series of proclamations and executive orders (EO) declaring a statewide drought emergency, and asking

California residents to voluntarily reduce water use by 15 percent. Governor Newsom recently issued EO N-7-22, which directs urban water suppliers, including the City, to implement Level Two Demand Reduction Actions from their Water Shortage Contingency Plans. In recognition of statewide drought conditions, staff proposes declaring a Stage Two Water Shortage Alert, repealing the current Stage One Water Supply Condition (Resolution 19-021), and implementing demand reduction actions from Level Two of the City's Water Shortage Contingency Plan.

DISCUSSION:

On March 29, 2022, Water Resources staff presented a water supply update to Council. The City's water supply conditions have not changed significantly since the March water supply update. While Santa Barbara has experienced below-average rainfall, the City's water demands can be met for at least the next two years (through Water Year 2024, ending in September 2024) using a combination of supplies from its diverse water supply portfolio. The City's water supplies include carryover water from Lake Cachuma, Mission Tunnel infiltration, desalination, groundwater, imported water from the State Water Project (SWP), and recycled water. The City's water supply planning strategy is conservative, assuming hydrological conditions similar to actual conditions experienced during the most recent drought, which ensures the City has enough supplies to meet demands even if the next two winters are dry.

Santa Barbara water customers have truly invested in a "conservation as a way of life" approach to water use. The City's current water demands are 25 percent less than 2013 baseline water demands (the previous "pre-drought" baseline set by the State), resulting in approximately 3,400 AF of annual savings compared to 2013. This commendable level of water conservation, in conjunction with the operation of the desal plant, has allowed the City to bank water in Lake Cachuma. As a result, the City is currently in a relatively secure water supply position, despite ongoing dry conditions.

Statewide, California's winter rainy season was dry, with precipitation totals falling far below average. The U.S. Drought Monitor currently classifies over 95 percent of California as experiencing either a severe or extreme drought (Santa Barbara County's drought status is classified as severe). The U.S. Drought Monitor uses metrics such as soil moisture content and streamflow to determine a location's drought status, rather than local water supply availability. In response to below-average rainfall and drought conditions across the state, the California Department of Water Resources (DWR) reduced allocations on the SWP to 5 percent. This means the City's 2022 SWP allocation was reduced from 3,300 acre-feet (AF) to 165 AF.

Statewide Drought State of Emergency

On March 28, 2022, Governor Newsom issued EO N-7-22, which directed the State Water Resources Control Board (Water Board) to adopt emergency regulations requiring all urban water suppliers who have submitted a Water Shortage Contingency Plan (WSCP) to the DWR to implement, at a minimum, the shortage response actions for a Level Two

shortage. The EO also continued the statewide drought state of emergency declared by Governor Newsom in October 2021, asking Californians to voluntarily reduce their water use statewide by 15 percent, compared to 2020-baseline usage. Neither EO required specific water use reduction targets for urban water suppliers.

In response to the Governor's March 2022 EO N-7-22, on May 24, 2022, the Water Board adopted Resolution No. 2022-0018, which has a requirement for urban water suppliers, including the City, to implement all water demand reduction actions from their Water Shortage Contingency Plans associated with a Level Two shortage, regardless of their local water supply availability. The Water Board's emergency regulations also included a statewide prohibition against the irrigation of "non-functional turf" at commercial, industrial, and institutional (CII) sites. Non-functional turf is defined as turf that is solely ornamental and not regularly used for human recreational purposes, or for civic or community events.

Stage Two Water Shortage Alert

Council adopted the City's 2021 WSCP in June 2021, along with the 2020 Enhanced Urban Water Management Plan, for submittal to DWR by July 1, 2021. The City's WSCP can be found at www.SantaBarbaraCA.gov/Drought. The City's WSCP establishes a plan for responding to water shortages caused by drought conditions and/or a catastrophic water supply emergency. Four water shortage levels are included in the City's WSCP. Level Two is referred to as a Stage Two Water Supply Alert. The WSCP includes various actions that Council may choose to implement to reduce water demand, depending on the nature of the shortage and local water supply conditions. Different actions are associated with each water shortage stage, or level. The table of Demand Reduction Actions associated with each water shortage level is attached to this report.

In recognition of severe drought conditions statewide, and in response to the Governor's blanket March 2022 EO and the Water Board's May 2022 adopted regulations, staff is recommending that Council declare a Stage Two Water Shortage Alert and implement the demand reduction actions associated with Level Two of the City's WSCP. However, the City is not currently experiencing a water supply shortage and does not anticipate a shortage in the next two years, even if dry conditions persist. With this consideration, staff recommends Council prioritize a selection of the City's Level Two actions for increased education and enforcement. These commonsense actions are appropriate for the City's current water condition, and are actions that our water-wise community can easily support and implement. In summary, the actions include:

- Using a shut-off nozzle when using water through a hose or outdoor water faucet, including vehicle or boat washing;
- Not hosing down hard surfaces such as sidewalks and patios with potable water, with exceptions for preventative maintenance and health and safety; and
- Irrigating using an automatically or manually controlled in-ground irrigation system only between the hours of 6:00 p.m. and 8:00 a.m.

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Whether in a declared water shortage or not, the City has a prohibition on the waste of water (Santa Barbara Municipal Code 14.20.007), which is defined as any excessive, unnecessary, or unwarranted use of water. This includes, but is not limited to, any water use that causes significant runoff beyond the boundaries of the property served by a water meter, failure to repair any leak or rupture within 72 hours after notice by the City, and irrigation during and for a period of 48 hours after a “measurable rainfall event.” A measurable rainfall event is defined as rainfall of one-quarter of an inch or more during a 24-hour period.

Adoption of this resolution supersedes Resolution 19-021, which is repealed.

Additional Water Supply Actions

To ensure that the City’s water supplies can be stretched through several more dry years, staff is taking the following actions:

- Commencing groundwater pumping from the Storage Unit No. 1 Groundwater Basin in the summer of 2022.
- Constructing a pipeline to convey water pumped from the Alameda Well in Storage Unit No. 1 to the Ortega Groundwater Treatment Plant for treatment, so groundwater production from that well can commence in the summer of 2023, if needed.
- Working with the Central Coast Water Authority to secure up to 2,000 AF of supplemental water purchases through the SWP.

To date, the City has secured 863 AF of supplemental water supply; 93 AF was purchased from Casitas Municipal Water District, and 770 AF was purchased from Mojave Water Agency. This supplemental water will be stored in San Luis Reservoir, where evaporative loss is not applied. The water can be delivered to the City upon request.

Additional Demand Reduction Actions

The City currently offers water conservation rebates to City customers for Flume smart home water monitoring devices, landscape mulch, high-efficiency clothes washers, and custom rebates for water-intensive commercial, industrial, and institutional customers. A total budget of \$72,000 is available in the Fiscal Year 2023 budget for water conservation rebates. Staff is asking to appropriate an additional \$50,000 from reserves to expand the water conservation rebate program to include a new landscape rebate, available to both residential and commercial customers using potable water for irrigation. The prior program was popular and effective at creating long-term water savings, with over 2,000 AF of water savings since the program started in 2009. The revamped landscape rebate program will reimburse customers up to a certain amount for converting their high-water use lawns to water-wise landscapes and irrigation systems. The landscape rebate program was a huge success during the last drought, where over 1,500 high-water-use landscapes were replaced.

In addition to expanding the water conservation rebate program to include the new landscape rebate, staff is asking Council to authorize the Public Works Director to execute a five-year as-needed contract with Katz & Associates (Katz), in the amount of \$200,000, for public outreach and communications support. Effective communication about the newly implemented demand reduction actions is important for their success and maintaining a continued level of trust with the City's water customers. The messaging is especially sensitive for the City, since it is not currently in a water supply shortage, but wishes to implement the demand reduction actions in response to the Governor's EO and the Water Board's regulations. The public outreach for the Stage Two Water Shortage Alert will focus on the prioritized demand reduction actions, as recommended by Water Commission and approved by Council. Katz will provide consistent messaging and informational materials, among other public outreach support activities, for the City's drought response, as well as other important Water Resources programs and policies, including water rates, infrastructure improvements, advanced metering infrastructure (AMI) implementation, and other topics as needed.

Katz has a strong team of nationally recognized experts who specialize in translating highly technical information into language understandable by a variety of audiences. In 2016 and again in 2018, Katz was selected through a competitive bidding process to provide public outreach support services to the Water Resources Division. Katz previously provided exceptional service to the Water Resources Division in its engagement with the public on water resources issues, including the reactivation of the Charles E. Meyer Desalination Plant, wastewater collection system outreach, and water and wastewater rate changes. Based on the above, staff finds Katz to be qualified and capable of delivering professional services. Their proposed rates are reasonable and comparable to other firms providing similar services to the City.

Staff will monitor the City's water supply and demands through the summer and return to Water Commission and Council in the fall with an updated water supply outlook. Should the Governor or Water Board order additional regulations or requirements, staff will return to Water Commission and Council for direction.

BUDGET/FINANCIAL INFORMATION:

To increase available funding for the City's water conservation rebate program, staff is requesting an increase in expenditure appropriations in the Water Operating Fund in the amount of \$50,000 in Fiscal Year 2022, funded from Water Operating Fund reserves. Staff plans to carry over remaining appropriations from Fiscal Year 2022 to Fiscal Year 2023. Adequate, available reserve funds exist in the Water Operating Fund to approve the recommended expenditure appropriation. The Fund remains above reserve policy targets. The increased funding will be used to restart the City's landscape rebate program, which has been shown to be a cost-effective water conservation program that incentivizes long-term changes in how water is used for landscape irrigation in the City. Grant-funding opportunities are being pursued to supplement the above expenditure appropriation. The Water Supply and Services team will implement the new rebate program.

The proposed Katz agreement for public outreach and education support will provide general terms and conditions for the provision of as-needed services for a term of up to five years, for a total not-to-exceed amount of \$200,000. There are sufficient expenditure appropriations proposed in the recommended Water Operating Fund Budget for Fiscal Year 2023 to fund the Katz contract. Staff will include funding for subsequent years in the proposed Water Operating Fund budget during the City's annual budget process.

SUSTAINABILITY IMPACT & ENVIRONMENTAL REVIEW:

Adoption of a Stage Two Water Shortage Alert and increasing funding for water conservation rebate programs will allow for better management of the City's water supplies and will provide sustainability benefits for the community. Such policies are exempt from CEQA review.

WATER COMMISSION RECOMMENDATION:

This item was presented to the Water Commission at a special meeting on June 9, 2022, where the Commission voted 5-0 in support of staff's recommendation.

ATTACHMENT: Water Shortage Contingency Plan Demand Reduction Actions Table

PREPARED BY: Joshua Haggmark, P.E., Water Resources Manager/DC/Im

SUBMITTED BY: Clifford M. Maurer, P.E., Public Works Director

APPROVED BY: City Administrator's Office